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# PULLMAN COMPANY ARCHIVES SCRAPBOOKS RECORD GROUP NO. 12

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# RG No. 12 Series No. 06

# Pullman Company. Public Relations Office.

Scrapbooks, 1940-1947

#### **BIBLIOGRAPHIC RECORD TARGET**

#### THE NEWBERRY LIBRARY

#### PULLMAN COMPANY ARCHIVES SCRAPBOOKS

Pullman Company. Public Relations Dept. Scrapbooks, 1940-1947.

2 cubic ft. (5 volumes)

Series organized by subject of scrapbook, and then arranged chronologically.

Newspaper clippings and advertisements regarding new Pullman coach sleepers, 1940-1942, and articles concerning the antitrust suit brought by the government against Pullman in 1940 (Civil Action No. 994) and the resulting sale of the operating arm of Pullman, Inc., the Pullman Company, to the railroads.

Unpublished inventory available in the library.

Forms part of Record Group No. 12 (Scrapbooks), Pullman Company Archives.

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### LIST OF IRREGULARITIES

The Pullman Company Scrapbooks, many at least a century old and composed almost entirely of brittle newsprint, contain articles that are incomplete or illegible. While every effort has been made to provide the best copy possible, the following problems are present to varying degrees in many of the volumes:

- 1. Foldouts are torn with loss of text or are lacking entirely.
- 2. Loose clippings are torn, with portions lacking.
- 3. There is loss of text at inner and outer margins.
- 4. Tipped-in clippings obscure other text.
- 5. Paper discoloration causes text illegibility.

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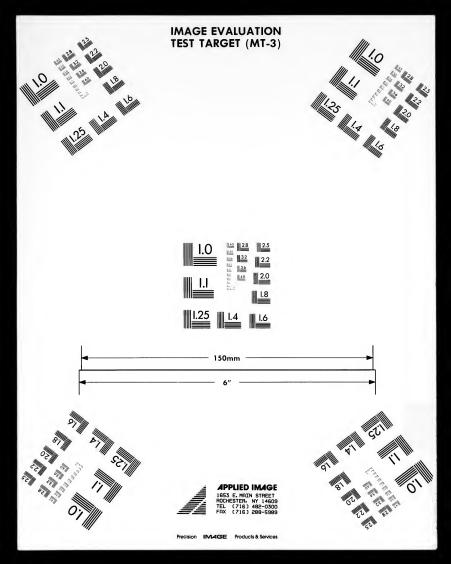
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1. Some pages have been filmed more than once to enhance legibility where text darkness varies within an exposure or where overlapping text is present.

2. Unless oversized, foldouts and clippings stored in envelopes attached to scrapbook pages are filmed following the page of text of frame to which they correspond.

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# SERIES 06

# VOL. 4

# January 23, 1944-September 22, 1945

(Reorganization)

New York

#### LERALD TRIBUNE, SUNDAY, JANUARY 23, 1944

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The Journal of Commerce New York

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#### Final Decree Pending

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#### WALL STREET JOURNAL, MONDAY, JANUARY 24, 194

**Court Directs Pullman Operating Subsidiaries** 

But Federal Bench Gives Parent Company Right to Choose Which Unit It Will Keen

From THE WALL STREET JOURNAL Phile, Bureau PHILADELPHIA-The U. S. District court which sustained the Government's anti-April, Saturday gave a supplemental opinion holding there should be a divorcement of the Pullman Co. and the Pullman-Standard Car Manufacturing Co.

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> NEW YORK WORLD-TELEGRAM January 24, 1944

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Pullman, Inc., was given three months in which to decids which of the two subsidiaries it would dispose of and an additional year in which to make the divorcement.

#### Statement by Crawford

David A. Crawford, president of Pullman Co., issued the following statement:

The supplemental opinion filed in the District Court at Philadelphia is not a decree or final judgment but sets forth additional views of the court as to the form the final decree should take.

"Until we have had an opportunity for thorough study and analysis of the effect of the provisions of the final decree, when en-tered, upon the conduct of our business, we are unable to state what action the Pullman group of companies will take." Pullman, Inc.-A three-judge federal

court, which sustained the Government's antitrust suit against the Pullman system iast April, has turned down a plea by Pullman attornsys that the organization bs allowed to remain intact. It ordered divorcement of the relationships between Pullman Co., the sleeping car division, and Pullman-Standard Car Manufacturing Co. The Court gave Pullman, Inc., the parent corporation, the right to choose which of the two it will retoin

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Chicago Sunday Tribune: Jan. 23, 1944.

# COURT UPHOLDS **RULE PULLMAN** MUST SPLIT UP

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Under these contracts, railroad companies wanting Pullman's sonal service "-sleeping and dining car management-are required to use sleeping cars made by the Pullman-Standard Car Manufacturing company.

#### First Ruling in April, 1943.

The ruling last April came after 15 months of hearings. Thurman Arnold, presenting the government's case as an assistant attorney general, said during the arguments that the litigation was "part of a whole section of cases which has been set up by the government to break up bottlenecks in transpor-

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> Chicago Herald American Jan. 23, 1944

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David A. Crawford, president of Puliman, Inc. top company in the group, said the companies' next steps would not be determined until a final decree has been entered dictating what forms the breakup will take.

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### Next Problem for Pullman Is Decree Form

Efforts by attorneys for Pullman, Inc, and the department of justice to agree on a form of decree are expected as the next step in the anti-trust litigation in which a three judge federal District court in Philadelphia has ruled Pullman must separate its car manufacturing business from its sleeping car service operations.

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Earns 340 Millions in Nine Months. If Pullman ultimately is required to divorce its manufacturing and service operations, it will mean the separation of businesses which durling the first nine months of 1943 had combined gross revenues of more than 340 million dollars.

The two branches of manufacturing and service have been united since the late George M. Puilman established the business in 1867. If the separation is finally arranged, the method would remain to be determined, as the court has point. In various anti-trust cases, notably Standard Oil Company of company, stocks of constituent companies were distributed por rata to the common stockholders of the holding corporations.

Court Gives Company Option. Puliman, Inc., was given the option to decide which subsidiary should be separated from the parent

should be separated from the parent corporation, and the court indicated no preference between Puliman company, the sleeping car service organization, or Puliman-Standard Car Manufacturing company.

organization, or Pullman-Standard Car Manutacturing company, In event of a breakup certain raitor apparing the solution of the pany. Beides the car manufacturing and servicing division, Pullman, Inc., also owns all or nearly all the capital stocks of several other company, operating an industrial company, operating an industrial relation City Land company, Pullman Trust and Savings bank, and Pullman-Standard Car Export corporation. Pullman, Inc., also holds French manufacturing company, SedS per cent of the stock of a French manufacturing company. Chicago Tribune Jan. 25, 1944

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ranged, the method would remain to be determined, as the court has not expressed its views on this point. In various antitruits cases, notably Standard Oil Company of New Jersey and American Tobacco company, stocks of constituent companies were distributed pro rata to holding corporations.

Court Gives Company Option.

Pullman, Inc., was given the option to decide which subsidiary should be separated from the parent corporation, and the court indicated no preference between Pullman company, the sleeping car service organization, or PullmanStandard Car Manufacturing company.

In event of a breakup certain reasons apparently would still exist for maintaining the holding company. Besides the car manufacturing and servicing divisions. Fully ail the capital stocks of several other company. operating an industrial railroad in the Lake Calumet district; Pullman Land association, man Trust and Savings bank, and Pullman.Standard Car Export corporation. Fullman, inc., also holds French manufacturing company. Steepe

#### The Plain Pealer Cleveland Ohio May 26, 1944

#### Hard to Follow

A federal district court in Philadelphia recently ordered the Pullman Co. to choose between the operation of sileeping cars and their construction. What the court characterizes as "the sole possession of the field" is held to be contrary to the nuble interest.

The Pullman decision is interesting from several points of view. While it rests basically on the thesis that the Pullman Co. has a monopoly of the business, the court in its findings of fact declared that at no time did it "engage in predatory practices or take any action to oppress or impede the business of any other sleeping car company."

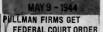
From this finding the inference is naturally drawn that the Pullman Co. rose to its dominant position in the field by sound business practices, and that the penalty that the court would impose upon it is a penalty for too great efficiency.

It is interesting, and on its face it appears illogical that the court should object to sole possession of the field in the sleeping car business in the face of the fact that a consolidation recently completed with government approval in the telerranh business created sole possession.

It is interesting also and seemingly illogical that the court which found the Associated Press in violation of the Sherman Act specifically pointed out that it had no sole possession of the business of collecting and transmitting news, that, in fact, the business was open to competition and that the A. P. was but one of several companies engaging in it.

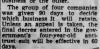
#### Thus the administration's antitrust policy is ex-

tremely difficult to follow and understand. It suggests that the policy has but one clear objective, to harry and persecute successful business without much regard to the effects of the policy upon the public interest or to the spirit of the laws which prohibit combinations in restraint of trade.



FINDLAY, OHIO REPUBLICAN-COURIER Cir. D. 13,519

PHILADELPHIA, May 8-(AP) —The Pullman companies, held in exercise and illegal monopoly of building and servicing railway sleeping cars, were ordered by a social three-judge federal court Monday to give up one business or the other.



Cir. D. 14.10

## Pullman Co. Monopoly Is Federal Court Ruling

#### Must Give Up Manufacturing Or 'Personal Service' Business.

Philadelphia, May 9.—(AP)—A special three-judge federal court today had ordered the Puilman group to give up either its rairoad ear manufacturing business or the timuhaing of operandal service on sleeping cars. It was a final fearers in structures suit failed of the Government against, the Puilman interests July 12, 1460 of the service of the servic

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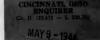
The court directed that a plan for separation of the businesses be filed within a year and if the plan is not acceptable, the court itself will make a proposal, the judges said.

At present the servicing company and the manufacturing company have "exclusive right" contracts with railroad companies under which railroads must use Pullman service on Pullmanmade sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only from the manufacturing unit.

Henceforth, the court ruled, the servicing company may acquire new cars only through open competition and not exclusively from its associate. The servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires. The decree becomes effective in 60 days unless the Pullman groups

60 days unless the Pullman groups appeal to the supreme court.



#### PULLMAN IS DIRECTED TO SEPARATE BUSINESS

Philadephia, May 8-(AP)-A special three-Judge Federal Court today ordered the Puliman Group to give up either its railroad car manufacturing business or the providing "personal service" on sleeping cars.

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days.

#### Newark, Ohio — Advocate and American Tribune Cir. D. 14,258 MAY 9 = 1944

### Pullman Co. Monopoly Is Federal Court Ruling

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Philadelphia, May 9-(AP)-A special three-judge (cderal court today had ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars. It was a final decree in an anti-trust suit filed by the government against the Pullman interests July 12, 1940.

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#### FINDLAY, OHIO REPUBLICAN-COURIER

#### MAY 9 - 1944

#### PULLMAN FIRMS GET FEDERAL COURT ORDER

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MAY 9 - 1944

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#### THE NEW YORK TIMES MAY 9, 1944.

Pullman Is Ordered to Divorce Car-Building and Sleeper Units

Special to THE NEW YORK TIMES

PHILADELPHIA, May 8-ini control of the most sweeping anti-pany, the American Car and Foundry Company and the St. Trust decrees of recent years, a Louis Car Company. In a statement, David A. Craw-special three-judge Federal court In a statement, David A. Craw-

held the Government's contention that the Puilman companies and thirty-one officers and directors violated the Sherman Anti-Trust Act through the operation of a complete monopoly, in effect gave to Pullman, Inc., the top holding company of the group, a choice of either operating its sleeping cars or its car-manufacturing business, but not both.

The decree, which represents the culmination of a two-and-a-halfyear suit by the Government, becomes effective within sixty days and manufacturing businesses, the uniess an appeal is carried to the United States Supreme Court.

At the same time the judges accorded to Pullman, Inc., ninety days in which to make a choice as to future corporate set-up and file a plan for hearings and approval

any such separation plan, Puliman, any such separation pinn. Fulman, "What action the Pullman group inc., will have one year in which of companies will take cannot be to carry out provisions of the stated until we have had oppor-order. If the concern fails to carry and analysis of the effect of the out the plan within the year. The provisions of the decree upon the occurs deciared it would take the conduct of our business. Successary states is do so. necessary steps to do so.

of Appeals here, directs that Pullman, Inc., divest itself of control over one of its two associated units: Pullman Company, which operates the sleeping-car business, including personal service, or Pullman-Standard Car Manufacturing Company, which, with its subsidi-ary Pullman Car and Manufacturing Corporation of Alabama, builds railroad cars.

#### Implications in the Decree

The decree opens the way for The decree open in the we cars competitive bidding on new cars that may be acquired by the serv-icing company and, according to Government attorneys, permits en-to make for himself the tools into Government attorneys, permits en-which he puts his own money to unversionment attorneys, permits en- 10 make for nimese the 6008 mHO try hot be field of other manuface which he puts his own money to turers. Among such companies are perform his job. The Edward G. Budd Manufactur, conclusion that Pullman was an weight stainless stel raincad lingal monopoly, but if the prohi-weight stainless stel raincad lingal monopoly, but if the prohi-

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appectai three-judge Feeeral court. In a statement, David A. Craw-ordered Pullman, Inc., today to ford, president of Pullman, Inc., separate "completely and perpet-ually" its reincad-car build volves a limitation on the funda-nake for inself the order of market terprise. The ourt, which a year ago up-prise method in the funda-tion of the pull of the pull of the pull provide method in the funda-tion of the pull of the pull of the pull provide method in the funda-tion of the pull of the pull of the pull of the pull provide method in the funda-tion of the pull of the pull of the pull of the pull of the provide method in the funda-tion of the pull of th

After finding that the defend-ants had "combined and conspired to monopolize" trade and com-merce in violation of Sections 1 and 2 of the Sherman Anti-Trust Act, the court enjoined them from committing such acts as would un-reasonably "lessen competition becommitting such acts as whole the reasonably "lessen competition be-tween railroads, and manufactur-ers or owners of railroad rolling stock," or to create a monopoly in the "furnishing, servicing, manu-facturing or selling, of railroad sleeping cars."

Aiso, at the effective date of the decree, and extending until fi-nal divorcement of the sleeping car Pullman company may acquire new sleeping cars only on competitive bidding.

In a statement David A. Crawd, president of Pullman, Inc., for said:

"The decree entered in the Dis-trict Court at Philadelphia today is not a consent decree and either a plan to instanting and approximation of its party may, as a matter of right, take an appeal from its provisions After approval of the court of United States

"What action the Pullman group

the final judgment entered by der this decree, if finally sustained, ane mai juogment entered by der his decree, if finally sustained, the three judges, John Biggs Jr., a sparaficho betwen the Pullman Albert B. Maris and Herbert F. sleeping-are busines, and Pullman-Goodrich, who wers assigned to the pany, the associated car-building or a paralle in the third Circuit Court

of the sleeping-car business, there

would seem to be involved in this judgment some other matters of considerable public concern and interest.

"For example, we think this decree involves a limitation on the to make for himself the tools into

bition in this decree is extended in bition in this decree is extended in a broad way, it would seem to follow that no service institution that has been able to grow into general acceptance in its field by making for itself the tools best adapted for its trade will hereadapted for its trade will nere-after be permitted to obtain the economies and score the technical advances made possible by such activities.

Company Scored Many "Firsts"

"Pullman's successful develop-ment of a sleeping-car business serving the national interest has serving the national interest has to a very large extent been made possible by the superior quality and economy of the equipment it has been able to design, construct all-steel sleeping car, the first closed vestibule, the first electric lighted train, the first electric lighted train, the first electric lighted train, the first in-contributioning installation, the first light-weight sleeper, and many other passenger-service firsts' have been pioneered by Pullman. "There is also involved here the whole broad question of when, in

the language of the court opinion,

the language of the court opinion, "the sole possession of the field is or is not in the public interest. "The evidence in our case showed —and the court in its findings of fact handed down in April, 1943, so stated-that the Pullman Company 'did not at any time engage in predatory practices nor take any action to oppress or impede the business of any other sleeping car

company.' "The court recognized the efficompany, must be effected. One tion, in holding that each railroad company, must be effected. One tion, in holding that each railroad of these operations must be dis-must, as a practically desirable posed of and the decree gives Full service feature, have access to man, Inc., the right to make the pool of selenging cars such a Pool "In addition to the direct in a second of the second "In addition to the direct in a second of the decree upon the conduct the policy interest."

Ajuly mirror NEW YORK, TUESDAY, MAY 9, 1944

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Given a Year

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Stocks Mixed Industrials end rise. Close dull and mixed. Details on Page 21,

new york, n. 2. PM, MAT. 9, 1944 Pullman Trust Pullman Trust Gets Orders to Break It Up

#### Divorces Manufacture

And Service Monopoly

In a "final decree" entered vesterday by a three-judge Federal court in Philadelphia the Pullman companies were ordered to divorce their 40-year monopoly of servicing and manufacturing Pullman railroad cars.

Filed against the companies July 12, 1940, the antitrust suit was directed against Pullman, Inc., Pullman Co., Pullman-Standard Car Manufacturing Co., and Pullman Car and Manufacturing Co. of Alabama.

The court ordered that the Pullman group give up either the man-ufacturing business or the servicing business, but left the choice up to the group.

**Decision in 90 Days** 

The decree also directed the companies that their decision must be made within 90 days and that the plan of separation must be filed with the court. Should the plan not be acceptable the court will issue

its own. The decree becomes effec-tive within 60 days unless an ap-peal is taken to the U. S. Supreme Court.

Under the court's order, the way will be open for other manufactur-ers to enter the field in open com-Pullman cars and for new compa-nies to compete for the furnishing service on the sleepers. At present the manufacturing

and the servicing companies have "exclusive right" contracts with railroad companies which provide that railroads must use Pullman

be no interlocking directors among the four companies. The 31 directors and officers of the companies, the court held, were guilty of vio-lating Sections 1 and 2 of the Sher-Federal Court lating Sections 1 and 2 of the Shar-man Anti-Trust Act, but no judg-ment was entered against them.

#### Pullman Defended

Soon after the ruling was issued, David A. Crawford, president of Pullman, Inc., announced that the court's order limits a contractor's "fundamental right" to make the tools which goes into his own busi-ness. Said he:

"The court's decision was based on its conclusion that Pullman was an illegal monopoly. But if the prohibition of this decree is extended in a broad way, it would seem to follow that no service in-stitution that has been able to grow into general acceptance in its field by making for itself the tools best adapted for its trade, will hereafter be permitted to obtain the econo-mies and score the technical ad-vances made possible by such ac-

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NEW YORK

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David A. Crawford, president of David A, crawtord, president of Pullman Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitawhich he said "involves a limita-tion of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

**Restricts** Officers' Activities.

The suit named Pullman Inc., the Pullman Co., which provides "per-sonal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing Co., the Pullman Car & Manufacturing Corp. of Alabama and 31 officers and directors including Alfred P. Sloan Jr., Harold S. Vanderbilt and Richard K. Mellon.

K. Mellon. Under the decree, officers and directors of any one Pullman com-pany are prohibited from holding securities in any other, and from

securines in the boards of any other, and the boards of any other. The court—Circuit Judges John Biggs Jr., Albert B. Maris and Herbert F. Goodrich—directed that the companies file a plan for the separation within a year.

Crawford said the court "held craword said the court "held against us apparently because through the development of an ef-ficient, economical and practical way of conducting the sleeping car business, which inured to the 'pub-lic interest,' we became in a per-fectly natural and inevitable way the only sleeping car conversion the only sleeping car company in the United States.

Yet the Congress of the United States moving in precisely the op-posite direction to that taken in the court opinion, recently enacted, in the 'public interest,' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the field.'" David A. Crawford

Sees a limitation of power to make his tools.

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DAILY NEWS, TUESDAY, MAY 9, 1944

NEW YORK

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"Yet the Congress of the United States moving in precisely the op-posite direction to that taken in the court opinion, recently enacted, in the 'public interest,' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the field.'"



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The court issued a final decree in an anti-trust suit filed rich by the Government against Pullman, Inc., the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holdng corporation; The Pullman Co., which furnishes personal service on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corp. of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

#### Year to Submit Plan.

The court directed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At present the servicing company and the manufacturing company have "exclusive right" con-tracts with railroad companies under which railroads must dise Pullman service on Pullman-made sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only from the manufacturing unit.

Henchworth, the court ruled, the servicing company may acquire new cars only through open competition and not exclusively from its associate. The servicing com-pany was directed to furnish other car manufacturers with specifica-tions for any new cars it desires.

Members of the special court were Judges John B. Biggs Jr., Al-

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David A. Crawford, president of immediately clared the decree limits "the fundamental right of a contractor to make for himself the tools into which he puts his money to perform his job."

form his job." "The court's decision was based on its conclusion that Pullman was an illegal monopoly." Crawford said. "But if the prohibition of this decree is extended in a broad way, it would seem to follow that no service institution that has been able to grow into general accept-ance in its field by making for it-self the tools best adapted for its trade, will hereafter be permitted to obtain the economies and score the technical advances made possible by such activities . . . "There is also involved here the

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economy of our operation, in holding that each railroad must, as a ing that each railroad must, as a practically de sir a ble service feature, have access to a pool of sleeping cars such as Pullman operates because such a pool is economically advantageous to the railroads and is desirable in the public interest.

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#### THE NEW YORK SUN. MAY 8, 1944. PULLMAN GROUPS TOLD TO DISSOLVE

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#### NEW YORK HERALD TRIBUNE May 20, 1944

#### Needless Anti-Trust Suits

It seems doubtful if the anti-trus laws have ever been subjected to ar narrow an interpretation as that being applied to them currently under the lead of the Department of Justice. The attitude of that department today seems to be that "sole posession of the field" by any concern constitutes prima-facile evidence that the latter is operating in restraint of trade.

This attitude is reflected in the decree just entered in the United States District Court at Philadelphia with respect to the Pullman group of companies. If no appeal is taken from this decree, Pullman, Inc., will have to proceed with plans for separating its sleeping-car business from its business of manufacturing Pullman equipment. Much of the success of Pullman's development of the sleeping-car business has been made possible by the superior quality and economy of the equipment produced by its designers and built by the company. Pullman's shops have ploneered such innovations as the all-steel sleeping car, the closed vestibule, the electric-lighted train and air conditioning. No one suggests that any restraint of trade has been involved. The court itself has said that the Pullman Company "did not at any time engage in predatory practices or take any action to impede the business of any other sleeping-car company." Yet it has entered a decree which; if generalized, will mean that a contractor engaged in a service business may not in the future make for himself the tools with which to perform that job.

Fullman's chief offense appears to be that in a perfectly natural way it has come into "sole possession" of the field of providing railway luxury equipment service. Individual railwoad must draw such equipment from a central pool when and if it is required, frequently for brief periods only. The court has recognized that this arrangement is sound and economical and inures to the

public interest. Yet it seems to feel that because Puliman is a more or less natural monopoly there is something periadous in the fact of its building its own equipment. In arriving at this conclusion it makes no allowance for the fact that Puliman is a regulated monopoly quite as truly as are the railroads themselves.

It is difficult to see what purpose is served by such suits and such decress as that represented in the Fullman case. That is, unless one regards it as part of public policy to find work to keep the burght young men of the anti-trust division of the Department of Justice occupied.

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New York Times -- May 11, 1944

#### Pullman Is Ordered to Divorce Car-Building and Sleeper Units

Special to Two b

PHILADELPHIA, May 8-In one of the most sweeping antitrust decrees of recent years, a special three-judge Federal court ordered Pullman, Inc., today to separate "completely and perpetually" its railroad-car building business from its sleeping-car enterprise.

The court, which a year ago upheld the Government's contention that the Pullman companies and thirty-one officers and directors violated the Sherman Anti-Trust Act through the operation of a complete monopoly, in effect gave to Pullman, Inc., the top holding company of the group, a choice of either operating its sleeping cars or its carsmanufacturing business. but not both.

The decree, which represents the ulmination of a two-and-a-half-

year suit by the Government, becomes effective within sixty days unless an appeal is carried to the United States Supreme Court.

At the same time the judges accorded to Pullman, Inc., ninety days in which to make a choice as to future corporate set-up and file a plan for hearings and approval to effectuate the separation of its enterprises.

After approval of the court of any such separation plan, Pullman, Inc., will have one year in which to carry out provisions of the order. If the concern fails to carry out the plan within the year, the court declared it would take the necessary steps to do so.

The final judgment entered by the three judges, John Biggs Jr., Albert B. Maris and Herbert F. Goodrich, who were assigned to the case from the Third Circuit Court of Appeals here, directs that Pullman, Inc., divest itself of control over one of its two associated unerstas the sleeping-car business, including personal service, or Pull-ness and the subscription of the subsdrive Company, which, with its subsdriv-ing Corporation of Alabama, builds railroad cars. over one of its two associated

#### Implications in the Decree

The decree opens the way for competitive bidding on new cars that may be acquired by the serv-icing company and, according to Government attorneys, permits en-try into the field of other manufactry into the field of other manufac-turers. Among such companies are the Edward G. Budd Manufactur-ing Company here, builder of light-weight stainless steel railroad coaches; the Bethlehem Steel Comcoacnes; the Bethienem Steel Com-pany, the American Car and Foundry Company and the St. Louis Car Company. In a statement, David A. Craw-

Louis Car Company. In a statement, David A. Casw. ford, president of bia decree in-volves a limitation on the funda-make for himself the look linto her form his job." After finding that the defend-ant and "combined and compiled to monopule" Undd Sections 1 and 2 of the Sherman Anti-Trust Act, the court enclored them from committing such acts as would un-wear salicoads, and manufactur-ers or owners of railroad rolling to the sherman Anti-Artust the "turnadung, mythic rails and Actions, at the affective date of the decreas and excluding until fi

Aiso, at the effective date of, the decree, and extending until fi-nal divorcement of the aleeping car-and manufacturing businesses, the Pullman company may acquire new Bieding. In a statement David A. Craw-ford, president of Pullman, Inc., add

"The decree entered in the Dis-trict Court at Philadelphia today is not a consent decree and either is not a consent decree and either party may, as a matter of right, take an appeal from its provisions to the Supreme Court of the United States

United States "What action the Pullman group of companies will take cannot be stated until we have had oppor-tunity to make a thorough study and analysis of the effect of the provisions of the decree upon the conduct of our business."

conduct of our business. "We can asy, however, that un-der this decree, if finally sustained, a separation between the Pullman Company, which operates the sleeping-car business, and Pullman-Standard Car Manufacturing Company, the associated car-building company, must be effected. One of these operations must be disposed of and the decree gives Pullman, Inc., the right to make the choice

"In addition to the direct impact of the decree upon the conduct of the sleeping-car business, there would seem to be involved in this judgment some other matters of considerable public concern and interest,

"For example, we think this decree involves a limitation on the fundamental right of a contractor to make for himself the tools into ta make for himself the tools into which he puts his own money to perform his job. Of course, the courts decision was based on its conclusion that Pullman was an illegal monopoly, but if the prohi-bition in this decree is extended in bition in this decree is extended in a broad way, it would seem to follow that no service institution that has been able to grow into general acceptance in its field by making for itself the tools best adapted for its trade will here-after be permitted to obtain the economies and score the technical advances made possible by such activities

Company Scored Many "Firsts"

"Pullman's successful develop-ment of a sleeping-car business serving the national interest has incring the national interest has to a very large extent been made possible by the superior quality and economy of the equipment it has been able to design, construct and use in its service. The first all-steel sleeping car, the first closed vestibule, the first electric libring transmission the first light-weight sleeper, and many other passenger-service firsts have been pionesered by Pulman. pioneered by Pullman. "There is also involved here the

"There is also involved here the whole broad question of when, in the language of the court opinion, "the sole possession of the field is or is not in the public interest. "The evidence in our case showed —and the court in its findings of fact handed down in Agril, 1948, so stated—that the Pullman Com-

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After finding that the defendant had "combined and compired to monopolize" trade and and 2 of the Sherman Anti-Trust Act, the court englend them from committing guch acts as would untowen railroads, and manufacturress or owners of railroad rolling atock," or to create a monopoly in the "furnishing, zervicing, of salino aleeping cars." Also, at the effective date of

Also, at the effective date of the decree, and extending until final divorcement of the sleeping car and manufacturing businesses, the Pullman company may acquire new sleeping cars only on competitive bidding.

In a statement David A. Crawford, president of Pullman, Inc., said:

"The decree entered in the District Court at Philadelphia today is not a consent decree and either, party may, as a matter of right, take an appeal from its provisions to the Supreme Court of the United States

"What action the Pullman group of companies will take cannot be stated until we have had opportunity to make a thorough study and analysis of the defrect of the provisions of the decree upon the conduct of our business.

"We can say, however, that under this decree, if finally sustained, a separation between the Pullman Company, which operates the sleeping-car business, and Pullman-Standard Car Manufacturing Company, the associated car-building company, must be effected. One of these operations must be disposed of and the decree gives Puiiman, Inc., the right to make the choice.

"In addition to the direct impact of the decree upon the conduct of the sleeping-car business, there would seem to be involved in this judgment some other matters of considerable public concern and interest.

"For' example, we think this decree involves a limitation on the fundamental right of a contractor to make for himself the tools into operform his job. Of course, the conclusion that Pullman was an iteration was based on its conclusion that Pullman was an bittom in this decree is extended in a broad way, it would seem to follow that no service institution that has been able to grow intoy making for its trade will hereafter be permitted to obtain the economies and score the technicas activities. To such that the part of the second activities in the part of the second science of the activities.

Company Scored Many "Firsts"

"Puliman's successful development of a sleeping-cat buinness serving the national interest has possible by the suppertor quality and economy of the equipment it has been able to design, construct and use in its service. The first closed vestibule, the first electric lighted train, the first sin-conditioning installation, the first lightwashinger-service firsts' have been pioneered by Puliman.

"There is also involved here the whole broad question of when, in the language of the court opinion, 'the sole possession of the field' is or is not in the public interest.

"The evidence in our case showed —and the court in its findings of fact handed down in April, 1943, so stated—that the Pullman Company 'did not at any time engage' in predatory practices nor take any action to oppress or impede the business of any other sleeping car company.'

"The court recognized the efficiency and economy of our operation, in holding that each rairroad service feature, have access to a pool of sleeping cars such a pool pool of sleeping cars such a pool is economically advantageous to the rairroads and 'is desirable in the public interest."

NEW YORK WORLD-TELEGRAM, MAY 8, 1944.

## U. S. Court Orders Pullman to Drop One of 2 Activities

Has Choice of Being Manufacturer or

#### **Ending Its Service**

By the Associated Press.

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#### Controversy May Go

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NEW YORK WORLD-TELEGRAM.

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#### THE NEW YORK SUN.

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Mr. G. A. Kelly from Mr. J. P. Leach

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#### Long Island Daily Press -- May 11th, 1944

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#### One Man's Opinion By WALTER KIERNAN

Well, the Pullman Company has been ordered to stop mak-ing cars or operating them.

The new theory of monopoly busting is that you can't bake your cake and eat it too.

Pullman has had a monopoly on sleeping care and porters named George for as many years as trains have been operating at night.

Pullman gave us the first closed vestibule, the first elec-trian, the first aircon-ditioned ear a n d the first Socent dusting and shoe wipe of.

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We care not who builds the nation's trains but Pullman must operate the smoker.

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#### FHILADEEFHIA RECORD, TUESDAY, MAY 9, 1944

# U.S.GUURI URDERS

#### Anti-Trust Decree Gives Outside Manufacturers Chance to Compete

The break-up of the Morgan-Mellon dominated Pullman steep- cifically ruled the Pullman Standard's ling-car empire was ordered by a competitors an equil chance to special three-man Federal court bid on car purchases and must here today.

Unless yesterday's decree is upset on appeai, outside manufacturers will hereafter have a chance to cut in on the lush profits which have built the Fullman holdings into a \$265,000,000 business in 40 years.

Heretofore, Pullman, Inc., a top holding company, and three subsidlaries have enjoyed exclusive sales and service agreements among themselves and with the railroads, throttling outside competition.

#### Ends Long Fight

Yesterday's decree, outlawing the "exclusive" contract features, cuiminated a 2½-year anti-trust suit brought by the Department of Justice and followed a preliminary order to the same effect handed down last January.

In bringing the suit, in 1941, the Government stated it was a first attack on transportation combines which were preventing the public from enjoying the fruits of modern development.

Among benefits withheld were Among benefits withheld were those of lightweight sieeping cars developed by the E. G. Buidd Mig. Co., of Philaediphia, the Government charged-cars which would make obsolete many Fullman cars, some of which are 20 years or more old, the company auriles. have been unable to enter the sleeping-car field include American Car & Foundry Co., Bethlehem Steel Corp. and St. Louis Car Co.

#### Must Drop One Subsidiary

The decree orders Fullman, Inc, to separate itself from all control over one of two chief subsidiaries: The Pulman Co, which furnishes service—including porters towels, sheets—on the cars, or the Pulman-Standard Mrz, Culwhich, with Wis corp of Alabama, manufacture the cars.

Pullman, Inc., has 90 days in which to decide which subsidiary to drop. Then it has a year in which to devise a plan for executing the corporate divorce.

U.S.COURT ORDERS The court warned that if Pullman's plan isn't satisfactory, it will devise one itself.

Meanwhile, it set specifications for the separation which sought to ban any of the standard legal devices by which trust dissolutions have been circumvented in the past.

Among these are the interlocking directorate, interlocking stock ownership, use of trustees, proxies, fictitious holdings, and a number of other devices which have made business news headlines for half a century or more.

#### **Chance to Competitors**

In addition, the court order specifically ruled the Pullman Co. must give Pullman.Standard's competitors an equai chance to bid on car purchases and must accept lowest responsible bids, ruled invalid any Pullman conpurchase only of Pullman-built cars, and ordered the Pullman Co. to accord equal service to roads not holding contracts with Pullman.Standard\_

man-Standard. Thirty-one officers and directors of the firm, including David A. Crawford, president of Pullman; Col. R. K. Mellon, chief of the State Selective Service and president of Mellon National Bank, of Pittsburgh, and George Whitney, J. P. Morgan partner, escaped judgment.

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> Clipping from Birmingham News, Monday, May 8,1944.

# Pullman Must Cease Its 'Personal Service' Or Stop Making Cars

Court Orders Decision;

'Interlocking Directors'

#### Ruled Out Under Decree

PHILADELPHIA—(AP)—A special three-judge Federal Court Monday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

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ena " THE WALL STREET JOURNAL, Tuesday, May 9, 1944

# Railroads to Discuss Operation of Pullman Sleeping Car Unit as Court Orders Split-Up

sonal Service" Enterprise

From THE WALL STREET JOURNAL Phila. Bureau PHILADELPHIA-A special three-judge

federal court yesterday ordered Pullman Inc. to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

This was the final decree issued in an antitrust suit filed by the Government against Puliman in 1940.

The decree, which becomes effective in 60 days, was also entered against the Pullman Co., the servicing unit, and the car manufacturing units, Puliman-Standard Car Manufacturing Co. and Pullman Car Manufacturing Corp. of Alabama. If an appeal is taken to the Supreme Court, its effective date is the day after the mandate is handed down.

The decree prohlbits "interlocking directors" among the Puliman companies, and forbids officers or directors of any one company to hold securities in any other. The Court aiso directed that, after the effective date of the decree, the Puliman Co. must buy its equipment in open competition. This gives other car manufacturing companies the right to enter the field and furnish sleeping cars to railroads. The Court also directs Pullman Co. to furnish service to railroads which do not now have contracts with it and to furnish cars so far as they are available from the "pool" it maintains to meet the heavy demands of peak periods.

In its order for the separation of the two businesses, Pullman Inc. was given 90 days after the decree becomes effective to file an election with the Court of which business it will retain and at the same time submit a plan for the separation. If the plan is approved, Pullman will have one year to carry it out; otherwise the Court will draft its own pian.

Provisions of the Decree

Among the provisions of the decree were the following clauses:

Puliman must furnish through-line sleeping car service to any railroad or group of railroads.

All contracts in existence on the effective date of the judgment between the servicing company and the manufacturing company for new cars are null and void except those on which construction has been started or on which the manufacturing company has made commitments for the purchase of materials for building or furnishing.

Any contract agreements or understandings existing on the date of judgment under which Standard is to build new cars for railroads for use in any train in which Pullman is operating sleeping cars is subject to cancellation on 60 days' notice except those on which construction has actually begun.

Pullman must sell to any railroad with which it has an operating contract used sleep-Group Gets Choice of Keeping ing cars on terms which the Court will fix in the decree for the plan of separation. The Car Production or "Per- the decree for the plan of separation. The within six months of the expiration of Its service contract.

Any contract or agreement between Pullman and any railroad in force during the

one-year period after the effective date of judgment and ending one year after the war, may be canceled by the railroad at any time after six months' notice and the canceliation relieves the railroad of its obligation to buy the new lightweight cars furnished by Pullman at the request of the rallroad.

The Court made the unusual provision that the company must allow the Attorney General to inspect all its records, interview officers, directors and employes and must submit in writing any reasonable information sought by him.

### Statement by Crawford

David A. Crawford, president of Pullman Inc., in a statement following the court decision pointed out that an appeal can be taken "as a matter of right" to the United States Supreme Court. He gave no definite indication as to whether Puliman would appeal the decision

What action the Puliman group of companies will take, he said, "cannot be stated" until a thorough study of the provisions has been made.

The court's judgment, Mr. Crawford continued, has far-reaching import to public and private interest, inasmuch as it seemed to "place limitation on the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

Mr. Crawford asserted the Pullman Co. had built itself up to "sole possession of the field" by a program of economies and technical improvements that inured to the public The Federai Court's judgment interest. against Puliman on the basis It was in sole possession of the field, he added, seemed contrary to the recent action of Congress In allowing the merger of "the only two remaining telegraph companies, leaving one in sole possession of the field."

Chicago Herald Tribune May 8, 1944

# **Court Orders Breakup** of Pullman Firm

PHILADELPHIA, May 8.—(AP)—A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or

Chicago Daily News May 8. 1944

# Split Up Firm, Pullman Ordered by Federal Court

Philadelphia. May 8.-4?-A an "exclusive right" contract with special three-judge Federal Court the manufacturing company under today ordered the Pullman group which it purchases sleepers only t give up either its railroad car from the manufacturing unit. manufacturing business or the furnishing of "personal service" on sleeping cars. The court issued a final decree in an antitrust suit filed by the government against the Pullman interests on July 12, 1940.

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#### PULLMAN HEADS WITHHOLD COMMENT PENDING STUDY

George A. Kelly, vice-president of Pullman, said none of the firm's officers had had oppor-tunity to see the decrease and that they would withhold com-ment until they had examined it. Whatever course is taken, he said, "will involve a tremendous amount of study."

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# Pullman's Car Monopoly Broken Up by U.S. Court

Final Decree Orders Company to Give Up **Completely Either Manufacturing or Servicing** 

Philadelphia, May 8 .- (UP)-The Pullman car monopoly enjoyed by Pullman, Inc., and its subsidiaries for the last 40 years was ordered dissolved today in a "final degree" by a three-judge federal court.

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#### Other Concerns May Compete.

The decree, issued against Pullman, Inc., Pullman Co., Pullman-Standard Manufacturing Co. and Pullman Car and Manufacturing Co. of Alabama, clears the way for other manufacturers to enter the field in open competition for the manufacture of railroad sleep-ing cars and for the organization of new companies to compete with Pullman for furnishing service on

Pulliman for furnishing section of the scepters. Signed by Judges John Biggs Jr., Albert B. Maris and Herbert F. Goodrich, the decree ruled out further "exclusive right" contracts between the servicing company and the manufacturing company.

### **Company Studies**

#### Decree, May Appeal

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Chicago Journal of Commerce May 9, 1944

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"It held against us apparently because through the development of an efficient, economical and prac-tical way of conducting the sleeping car business, which inured to the 'public interest', we became in a per-fectly natural and inevitable way

#### Congress Telegraph Policy

"Yet the Congress of the United States, moving in precisely the op-posite direction to that taken in the postee direction to that taken in the court opinion, recently enacted, in the public interest legislation merg-ing the only two remaining tele-graph companies, leaving one in sole possession of the field."

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Chicago Journal of Commer ... May 9. 1944

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Mr. Crawford declared that the possession of the field" is or is not in the public interest is involved. He said that the court had recognized the efficiency and economy of the company's operation, and had found

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that the associated companies had played in the war effort, both in carrying passengers and in the manufacture of railway equipment and armaments.

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#### THE WASHINGTON POST Tuesday, May 9, 1944

# Pullman Co. Ordered by Court To Divide Work as a Monopoly

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Under the decree officers and directors of any one Pullman company are prohibited from holding Davil A. Crawford, president of securitles In any other, and from Pullman, Inc., top company in the serving on the boards of any other. The court-Circuit Judges John decide whether to appeal after Biggs, jr., Albert B. Maris and studying the effect of the order, Herbert F. Goodrich-directed that which he sald "involves a limita- the companies file a plan for the

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"There is also involved here the whole broad question of when, in the language of the court opinion. 'the sole possession of the field' is or is not in the public interest.

"The evidence in our case showed-and the court in its finding of fact handed down in April 1943, so stated-that the Pullman Company 'did not at any time engage in predatory practices nor take any action to oppress or impede the business of any other sleeping car company.' The court recognized the efficiency and economy of our operation, in holding that each rallroad must, as a practically desirable service feature, have access to a pool of sleeping cars such as Pullman operates because such a pool is economically advantageous to the railroads and 'is desirable in the public interest.'

"It held against us apparently because through the development of an efficient, economical and practlcal way of conducting the sleeping car business, which inured to the 'public interest.' We became in a perfectly natural and inevitable way the only sleeping car company in the country. .

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TIMES-HERALD WASHINGTON, D. C. MAY 9. 1944

# Pullman Ordered to Disband Its Sleeping Car Monopoly

PHILADELPHIA, May 8.-In a sidered their next legal step in final decree, a three-judge Federal protracted litigation with the expediting court today ordered the Pullman interests to disband the ing of sleeping cars.

The tribunal, composed of three U. S. Circuit Court of Appeal judges, directed the Pullman interests to give up entirely either the Pullman car manufacturing business or the servicing of the sleeping cars. The ruling becomes final within 60 days unless appealed to the Supreme Court.

The court also directed the company must make its decision within 90 days and the plan of separation must be filed with the court. If the plan is not acceptable, the court will issue its own plan of divorcing the two buslnesses.

#### **Pullman Considers**

Appeal on Ruling

Directors of Pullman, Inc., con- structure.

Government today after a special monopoly have held for 40 years three-judge Federal court in Phila-In the manufacturing and servic- delphia decided the company must give up either its sleeping car or manufacturing divisions.

> David A. Crawford, president, said a definite decision to appeal to the United States Supreme Court would not be made until the company had opportunity to study the decree's effect on the company's vast operations.

> Crawford termed the decree a penalty against Pullman efflciency in car manufacture and operation, and said the Government was inconsistent in its stand, since special legislation had been enacted permitting the two principal telegraph companies to merge.

He said Pullman's record in handling war traffic had demonstrated the advisability of opera-CHICAGO, May 8 (C.T.P.S.). tions under the present corporate

Investor's Reader New York, N.Y. May 24, 1944

#### MANUFACTURING Pullman's Dilemma

MERICA'S genial supplier of extra towels for the family linen closet-The Pullman Co.-has 74 more days to decide between a Supreme Court appeal or eventually slicing up its 86-year-old business. Three Philadelphia circuit judges last fortnight decreed that Pullman violates the Sherman Anti-trust Act, hence must divorce either its famed sleeping car business or its lesserknown rail equipment division (Pullman-Standard Car Manufacturing Co.). No longer can Pullman make cars and operate them too. The company's recourse: an appeal to the U. S. Supreme Court; but to date the company has not said whether or not it would appeal.

Not since founder George M. Pullman displayed his first sleeping car (the 16-wheeled, \$20,000 "Pioneer") in 1865 has the Pullman business been in such a stew. Ignored at first, Pullman's idea mushroomed into a national institution after his lush-carpted, walnutfinished "Pioneer" was used in Preident Lincoln's funeral train. Since then, the word *pullman* has become as American as *jeep*, is carried as a common noun in most dictionaries. Pullman has introduced such travel comforts as the first dining car (1887), the first elertically-lighted train (1908), the first air-conditioning installation (1929) and last but not least that usually genial, white-jacketed public servant known to versyone a Geotze.

Legal Angles. But all this is little help to Pullman in its current dilemma. Nub of the Government's case is that the company is the only manufacturer of snooze equipment for U. S. railroads, hence is a monopoly, Furthermore, its 7,000 sleeping cars are about the only ones on U. S. railroads, obvious proof that Pullman has killed competition. In a hot denial, top Pullmanite David A. Crawford replied : "Pullman has no power over the railroads; it is simply a concessionaire doing business on railroad property. \* \* \* [The contracts] need not be renewed by any railroad that wants to perform its own sleeping car service."

When, as and if Pullman is forced to break up, it faces a tough decision. By any normal standards, either division of Pullman is a good, sound business. The set up:

Operating. Because of troop movements and a civilian rush to

travel anywhere and everywhere, the Pullman Co. this year expects passenger miles to hit 28 billion, a new record. This will push sleeping car gross above last year's \$152,000,000 and far above the 1939-43 average of \$90,000,000. Net profins from sleeping car operation may not rise as much, but in the five years ended 1943, this division showed an average annual operating profit (before depreciation) of \$18,000,000. The venerable trade publication *Railway Age* says: "Of about 60 sleeping car contracts in effect only about 15 support themselves  $\bullet \bullet \bullet$ The return on Pullman's sleeping car business never exceeded  $7\frac{1}{2}\frac{6}{7}$ in the '20s and was less than 1% in 1938 to 1942."

Manufacturing. Pullman-Standard operates big plants in six U. S. cities, is the largest railroad car manufacturer in the world. Besides this it makes wheels, forgings, and streamlined trains (not to mention Pullman cars). Came the war, most plants began roaring away on ranks, trench mortars, shells, small ships, and even aircraft assemblies. Result: last year's total sales reached \$274,000,000 r \$189,000,000 in 1942 and only \$30,000,000 in 1942 and only \$30,000,000 in



Investor's Teader New York, N.Y. May 24, 1944

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When, as and if Pullman is forced to break up, it faces a tough decision. By any normal standards, either division of Pullman is a good, sound business. The set up:

Operating. Because of troop movements and a civilian rush to

travel any where and every where, the Pullman Co. this year expects passenger miles to hit 28 billion, a new record. This will push sleeping car gross above last year's \$152,000,000 and far above the 1939-43 average of \$90,000,000. Net profits from sleeping car operation may not rise as much, but in the five years ended 1943, this division showed an average annual operating profit (before depreciation) of \$18,000,000. The venerable trade publication *Railway*. Age says: "Of about 60 sleeping car contracts in effect only about 15 support themselves \*\*\* The return on Pullman's sleeping car business never exceeded  $7\frac{1}{2}\frac{1}{2}$ in the '20s and was less than  $1\frac{1}{2}$ in 1938 to 1942."

Manufacturing. Pullman-Standard operates big plants in six U. S. cities, is the largest railroad car manufacturer in the world. Besides this it makes wheels, forgings, and streamlined trains (not to mention Pullman cars). Came the war, most plants began roaring away on lanks, trench mortars, shells, small ships, and even aircraft assemblies. Result: last year's total sales reached \$274,000,000 rr \$189,000,000 in 1942 and only \$30,000,000 in 1939.



#### THE PHILADELPHIA INQUIRER.

MAY 9, 1944

# • U. S. Judges Tell Pullman To Split Up

Firm Must Give Up Either Servicing Or Car-Making

In a sweeping decision on an antitrust suit filed by the Government nearly four years ago, a three-judge Federal Court yesterday ordered the Pullman group to abolish either its railroad-car manufacturing or its furnishing of "personal service" on alcebing cars.

The decree, which supports the Gevernment's contention that the several Pullman companies hold a 100 percent monopoly on both the making and servicing of sleepers, also cleared the way for other manufscurrers to enter the field of open competition in the making of such cars and for the organization of new companies to compete with Pullman for furnishing service on the sleepers

#### **6** COMPANIES AFFECTED

Signed by Judges John Biggs, Jr., Albert B. Maris and Herbert F. Goodrich, the decree was issued against Pullman, Inc., top holding corporation; the Pullman Co., which furnishes "personal service" on the cars; the Pullman-Skandard Manufacturing Corp. of Alabama.

Principal provisions of the order, which becomes effective in 60 days unless an appeal is taken to the Supreme Court, are:

Abolish either the car-making business or the servicing business, giving a decision on which is to be retained within 90 days; relinquisn all interests in whichever business is abolished; dissolve all interlocking

directorships, and flie a "plan of separation" within a year.

#### WARNING ON CONTROL

If the pian is not acceptable, the court itself will make a proposal, the judges said.

In addition, the defendants were were ordered to submit a list of all persons, firms or corporation which would acquire the business to be disposed of, and were warned that no attempt, direct or indirect, must be made to retain any sort of control over the divested business.

#### 40-YEAR MONOPOLY

The decree also nullified all "exclusive right" contracts between the Pullman manufacturing groups and the serving unit on the one hand and the servicing company and railroads on the other, under which Pullman has held a complete monopoly for the past 40 years.

The court ruled that the servicing company can henceforth acquire new cars only through open competition, and it must furnish specifications and give the work to the lowest responsible bidder.

#### ORDERS FOR OTHER FIRMS

This was seen as clearing the way for orders to such firms as the Edward G. Budd Co., Bethiehem Steel, American Car & Foundry Co. and the St. Louis Car Co.

David A. Crawford, president of Pullman, Inc., who with some of the country's best-known industrialists and financiers had been named in the Government's suit, said in commenting on the decree:

"We think this decree involves a limitation on the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job.

#### DECISION CRITICIZED

"Of course, the court's decision was based on its conclusion that Puilman was an illegal monopoly, but if the prohibition of this decree seems to follow that no service instisection of the service instinito general acceptance in its field by making for itself the tools best adapted for itself the tools best adapted for itself whe colo be permitted to obtain the seconovances and the possible by such activities."

#### WILL STUDY DECREE

Mr. Crawford, who was the only one of the defendants, including the late J. Pierpont Morgan, Alfred P. Sloan, Harold S. Vanderbilt and Richard K. Meilon, to testify at the trial, which started Nov. 3, 1941 the suit was first filed July 12, 1940 —added:

"What action the Pullman group of companies will take cannot be stated until we have had the opportunity to make a thorough study and analysis of the effect of the provisions of the decree upon the conduct of our business."

#### 'INAPPROPRIATE TIME'

Mr. Crawford declared, however, that "it does seem inappropriate at this time to enforce ... disruption of organizations that are performing so effectively for the war effort." He also pointed out that Congress, "moving in precisely the oppisite merged the two large U.S. telegraph companies, leaving one in 'sole possession of the field."

To effectuate the decree, the court authorized the Attorney General's office to have "reasonable access" to Pullman records, and be allowed to interview any officer, director, agent or employe.

#### THE EVENING STAR, Washington, D.C.

# Fullman President Studies Appeal of Limitation Order

#### By the Associated Press.

PHILADELPHIA, May 9. — The Pullman companies, heid to exercise an illegai monopoly of bullding and servicing railway sleeping cars, were ordered by a special threejudge Federal court yesterday to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the Government's 4-yearold antitrust suit will be effective in 60 days.

David A. Crawford, president of Puilman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

The suit named Puliman. Inc., the Puliman Co., which provides "personal service" aboard sleeping cars; the Puliman-Standard Car Manufatturing Corp. of Aliabama and 31 officers and directors, including Alfred P. Sloan, jr.; Harold S. Vanderblit and Richard K. Mellon.

Under the decree officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other. The court—Circuit Judges John

The court—Circuit Judges John Biggs, jr.; Albert B. Maris and Herbert F. Goodrich—directed that the companies file a plan for the separation within a year.

If the plan is not acceptable, the judges said, the court itself will make a proposal. Mr. Crawford said the court "held

Mr. Orawford said the court "held against us apparently because through the development of an efdicient, economical and practical waynes, which unser plug case "upublic interest," we became, in a perfectly natural and inevitable way, the only sleeping car company in the United States. • • • "Yet the Congress of the United

"Yet the Congress of the United States, moving in precisely the opposite direction to that taken in the court opinion, recently enacted, in the 'public interest,' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the field."

BULLETIN NUMBER SIX 2 30 P M MAY 8

IN ADVERTISEMENTS IN CHICAGO NEWSPAPERS MONTGOMERY WARD & COMPANY URGED EMPLOYES TO VOTE IN THE ELECTION TOMORROW WHICH WILL DECIDE WHETHER THEY WILL BE REPRESENTED BY LOCAL 20 OF UNITED MAIL ORDER WHOLESALE AND RETAIL EMPLOYES UNION C-1-0

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THE HOUSE COMPLETED ACTION TODAY ON LEGISLATION CLEARING THE WAY FOR RETURN TO PRIVATE OWNERSHIP OF ALL GREAT LAKES VESSELS AND ALL OTHERS OF ONE THOUSAND GROSS TONS OR LESS - THE BILL NOW GOES TO THE WHITE HOUSE

WASHINGTON STATE REPUBLICAN CONVENTION DELEGATES TODAY UNANIMOUSLY APPROVED GOVERNOR THOMAS E DEWEY OF NEW YORK FOR THE PARTY-S PRESIDENTIAL NOMINEE BUT THE 16 DELEGATES TO THE CHICAGO NATIONAL CONVENTION WERE LEFT OFFICIALLY UNINSTRUCTED

CARRIER-BORNE PLANES OF THE ROYAL NAVY POUNCED ON TWO GERMAN CONVOYS OFF NORWAY SATURDAY SINKING ONE AND POSSIBLY TWO SUPPLY SHIPS AND DAMAGING THREE OTHER VESSELS THE ADMIRALTY ANNOUNCED WHILE FRENCH CREWS IN AN ENGLISH CHANNEL BATTLE EARLY TODAY PROBABLY SANK TWO OTHER NAZI SHIPS

BOOTH FISHERIES CORPORATION HAS BEEN BRING-ING FISH FROM FAR NORTHERN CANADIAN LAKES TO THE UNITED STATES MARKETS A DOW JONES DISPATCH FROM CHICAGO REVEALS - FISHING PARTIES ARE FLOWN IN IN THE SUMMER FISH THROUGH THE ICE IN WINTER AND SHIP BY TRACTOR AND SLEIGH TO THE NEAREST RAILROAD WHICH IN ONE CASE IS OVER TWO HUNDRED MILES AWAY - THE FISH ARE HIGH QUALITY AND BRING PRICES WHICH JUSTIFY

THE FOUR DOLLARS A HUNDRED POUNDS IT COSTS TO HAUL THEM BY TRACTOR - BOOTH HAD TOTAL SALES FOR THE FISCAL YEAR JUST ENDED OF OVER 24 MILLION DOLLARS COMPARED WITH NINETEEN AND A HALF MILLION IN THE PREVIOUS YEAR - MUCH OF THE INCREASE CAME FROM SALES OF FROZEN FRUITS AND VEGETABLES WHICH HAVE INCREASED 100 PER CENT EACH YEAR SINCE 1939

LITTLE HOPE WAS HELD OUT FOR ENDING SUGAR RATIONING OR FOR ANY MAJOR INCREASES IN SUGAR ALLOTMENTS DURING 1944 - STOCKS OF SUGAR ON HAND APRIL I WERE ONLY I 256 366 TONS 30 PER CENT LESS THAN A YEAR EARLIER AND THE LOWEST FOR A SIMILAR DATE IN MANY YEARS THE WAR FOOD ADMINISTRATION SAID

THE SUPREME COURT AGREED TO REVIEW THE DECISION OF A THREE-JUDGE NEW YORK SPECIAL FEDERAL COURT IN THE GOVERNMENT-S ANTI-TRUST SUIT AGAINST THE ASSOCIATED PRESS

- - -

A GUTENBERG BIBLE ONE OF TEN COMPLETE COPIES KNOWN TO BE IN THE UNITED STATES AND PROBABLY WORTH MORE THAN ONE HUNDRED THOUSAND DOLLARS WAS PRESENTED TO HARVARD COLLEGE BY GEORGE D WIDENER OF PHILADELPHIA

A SPECIAL THREE JUDGE FEDERAL COURT IN PHILADELPHIA HAS JUST ORDERED THE COMPANIES OF THE PULLMAN GROUP TO GIVE UP EITHER THEIR RAILROAD CAR MANUFACTURING BUSINESS OR THE FURNISHING OF SLEEPING CAR SERVICE - THE DECREE ALSO FORBADE ANY INTERLOCKING DIRECTORATE FOR PULLMAN INCORPORATED THE TOP HOLDING COMPANY AND THE PULLMAN COMPANY PULLMAN STANDARD MANUFACTURING COMPANY AND PULLMAN CAR & MANUF CTURING COMPANY OF ALABAMA -PULLMAN WAS GIVEN NINETY DAYS TO CHOOSE WHICH BUSINESS IT WISHED TO RETAIN

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END OF BULLETIN NUMBER SIX

NEXT REGULAR DOW JONES HOURLY DIGEST AT 3 30 P M

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#### THE DOW JONES HOURLY NEWS DIGEST

BULLETIN NUMBER EIGHT

#### 4 30 P M MAY 8

PRESIDENT DAVID A CRAWFORD OF PULLMAN INCORPORATED SAID IN PHILADELPHIA THAT THE COMPANY-S COURSE FOLLOWING AN ANTI-TRUST DECISION ORDERING IT TO DIVEST ITSELF OF EITHER ITS CAR BUILDING OR CAR OPERATING DIVISIONS WOULD AWAIT FURTHER STUDY OF THE DECREE - HE POINTED OUT THAT IT WAS NOT A -CONSENT- DECREE AND LEFT BOTH THE COMPANY AND THE GOVERNMENT FREE TO APPEAL TO THE SUPREME COURT

RED ARMY FORCES HAVE BREACHED THE MAIN GERMAN DEFENSES AROUND THE BELEAGUERED CRIMEAN NAVAL BASE OF SEVASTOPOL A SOVIET COMMUNIQUE ANNOUNCED

THE COMMUNIQUE SAID THE ASSAULT ON THE HEAVILY FORTIFIED ENEMY POSITIONS STARTED SUNDAY AND -IN TWO DAYS OF BITTER FIGHTING OUR TROOPS HAVE BROKEN ENEMY RESISTANCE-

ATTACKING UNDER A FURIOUS AERIAL AND ARTILLERY BOMBARDMENT RUSSIAN GROUND TROOPS LUNGED MORE THAN THREE MILES THROUGH THE GERMAN FORTIFICATION RING AND CAPTURED A DOMINANT HEIGHT IN THE OUTSKIRTS OF THE CITY THE COMMUNIQUE SAID

SOVIET WARSHIPS AND PLANES PATROLLING THE BLACK SEA ESCAPE ROUTES TO PREVENT A NAZI -DUNKERQUE- FROM SEVASTOPOL ATTACKED AN AXIS CONVOY AND SANK FOUR TRANSPORTS TOTALING TEN THOUSAND TONS - A GERMAN PATROL BOAT AND SEVEN BARGES ALSO WERE SUNK AND A NUMBER OF OTHER SHIPS WERE DAMAGED

ALLIED BOMBERS AND FIGHTERS SHOT DOWN 119 GERMAN PLANES IN TODAY-S HUGE ATTACK ON BERLIN AND BRUNSWICK - SIXTY BY THE HEAVYWEIGHTS AND 59 BY THE FIGHTERS - UNITED STATES HEADQUARTERS IN LONDON SAID 36 OF OUR

430 PM

MAYS

BOMBERS AND 13 FIGHTERS WERE MISSING - THE 49 AMERICAN PLANES MISSING REPRESENTED A LOSS OF ABOUT TWO AND ONE-HALF PER CENT OF THE FORCE IN ACTION OVER GERMANY

- - -

NEGOTIATIONS HAVE BEEN COMPLETED FOR A 30 MILLION DOLLAR VICTORY-TERMINATION REVOLVING CREDIT TO CONTINENTAL MOTORS CORPORATION BY A GROUP OF EIGHTEEN BANKS HEADED BY NATIONAL BANK OF DETROIT - CONTINENTAL PLANTS IN DETROIT MUSKEGON AND DALLAS ARE ALMOST ONE HUNDRED PER CENT ENGAGED IN WAR WORK

END OF EIGHTH AND FINAL BULLETIN FOR MAY 8

associated Gress Wire Story

Ussor Pres

D107PX

PHILADELPHIA---THIRD ADD PULLMAN XXX MERBERT F.COODRICH. The S DAVID A.GRAWFORD, PRESIDENT OF PULLMAN, INC., IN A STATEMENT TO THE PRESS, SAID:

"WE THINK THIS DECREE INVOLVES A LIMITATION ON THE FUNDAMENTAL RIGHT OF A CONTRACTOR TO MAKE FOR MINSELF THE TOOLS INTO WHICH HE PUTS HIS OWN MONEY TO PERFORM HIS JOB.

-OF COURSE, THE COURT'S DEICISION WAS BASED ON ITS CONCLUSION THAT PULLHAN WAS AN ILLECAL NONOPOLY, BUT IF THE PROMIDITION OF THIS DEGREE IS EXTENDED IN A BROAD WAY, IT WOULD SEEN TO FOLLOW THAT NO SERVICE INSTITUTION THAT HAS BEEN ABLE TO GROW INTO GENERAL ACCEPTANCE IN ITS FIELD BY MAKING FOR ITSELF THE TOOLS DEST ADAPTED FOR ITS TRADE, WILL HEREAFTER BE PERMITTED TO OBTAIN THE ECONOMIES AND SCORE THE TECHNICAL ADVANCES MADE POSSIBLE BY SUCH ACTIVITIES...

"THERE IS ALSO INVOLVED HERE THE WHOLE DROAD QUESTION OF WHEN, IN THE LANGUAGE OF THE COURT OPINION, 'THE SOLE POSSESSION OF THE FIELD' IS OR IS NOT IN THE PUBLIC INTEREST.

"THE EVIDENCE IN OUR CASE SHOWED--AND THE COURT IN ITS FINDING OF FACT HANDED DOWN IN APRILM 1943, SO STATED--THAT THE PULLHAN COMPANY "DIB NOT AT ANY TIME ENGAGE IN PREDATORY PRACTICES NOR TAKE ANY ACTION TO OPPRESS OR IMPÉDE THE DUSINESS OF ANY OTHER SLEEPING CAR COMPANY." THE COURT RECOCNIZED THE EFFICIENCY AND ECONOMY OF OUR OPERATION, IN HOLDING THAT EACH RAILROAD MUST, AS A PRACTICALLY DESIRABLE SERVICE FEATURE, HAVE ACCESS TO A POOL OF SLEEPING CARS SUCH AS PULLHAN OPERATES BECAUSE SUCH A POOL IS ECONOMIC-ALLY ADVANTACEOUS TO THE RAILROADS AND 'IS DESIRABLE IN THE PUBLIC INTEREST.'

Associated Grene Wine Story

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Associated Press Wire Story

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Circ. (15.899)

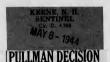
This Clipping From IRON AGE NEW YORK, N. Y.

# MAY 1 1 1944

# Divorce Enterprises, Pullman Ordered

#### Philadelphia

• • • In a decision by the District Court at Philadelphia, a three-judge Federal panel ordered Pullman, Inc., to separate "completely and perpetu-



Philadelphia, May 8. (P)—A special three-judge federal court today or-dered the pullman group to give up either its railroad car manufacturing business or the furnishing of "per-

business of the furnishing of "per-sonal service" on sleeping cars. The court issued a final decree in an anti-furns suit filed by the gov-ernment against the Pullman In-terests on July 12, 1940. Under the decree there may be no

"interlocking directors" among Pull-man. Inc., top holding corporation; man, Inc. top holding corporation; the Pullman company, which fur-nishes "personal service" on cars, the Pullman - Istandard MagutaGauring Corporation of AlaSama. The dermet rounds officers or di-rectors of any one Pullman company from holding securities in any other. Pullman was given b0 days to de-cide which branch of the bulness it

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will retain. The court directed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

ally" its railroad car building business from its sleeping car enterprise. The court upheld the government's contention that the Pullman companies and its 31 officers and directors violated the Sherman Anti-Trust Act through the operation of a complete monopoly, and gave Pullman, Inc., the top holding company, the choice of operating either its sleeping cars or its car manufacturing business but not both.

This decision follows a 21/2 year suit by the government and becomes effective within 60 days unless an appeal is carried to the United States Supreme Court, an action that is almost a certainty. At the same time, Pullman, Inc., was given 90 days to make a choice as to future corporate standing and file a plan for hearings and approval to effectuate the separation of its business. After such an approval by the court, Pullman, Inc., will be given one year in which to carry out the separation of its enterprises and to abide by the provisions of the order.

The court order directs that Pullman, Inc., divest itself of control over one of its two associated units, the Pullman Co., which operates the sleeping car business; or Pullman-Standard Car Mfg. Co., which, with its subsidiary, Pullman Car and Mfg. Corp. of Alabama, builds railroad cars.

# MAY 9 - 1944 Pullman Studies **Separation Order**

CLEVELAND. O.

PRESS Cir. D. 227 904

CHICAGO, May 9-(U.P.)-David A. Crawford, president of Pullman Inc., is uncertain at this time what action the Pullman group will take following a court decree ordering separation of the company's railroad car manufacturing and service hueines

businesses. The decree entered in the Dis-trict Court at Philadelphia today is not a consent decree and either party may ... take an appeal from its provisions to the Supreme Court of the United States." Crawford

said late yesterday. "What action the Pullman group of companies will take cannot be or companies will take cannot be stated until we have an opportunity to make a thorough study and analysis of the effect of the pro-visions of the decree upon the con-duct of our business," he asserted.

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"Pullman Inc. may through a sub sidiary either operate sleeping cars or it may manufacture them, but not do both. For example, should it elect to continue the sleeping car operation it could no longer be the operation it could no longer be the maker of the cars-the tools used in rendering to its railroad custom-ers the service it contracts to de-liver. Should Pullman Inc. elect to continue through its car manufac-turing subsidiary the building of sleeping cars, it could not operate them."

Crawford also disclosed the com pany's belief that the decree "in-volves a limitation on the fundawhich he puts his own money to perform his job.

"Puliman's successful develop-ment of a sleeping car business serving the national interest has serving the national interest has to a very large extent been made possible by the superior quality and economy of the equipment it has been able to design, construct and use in its service," Grawlord em-phasized.

MAY 9 - 1944

TOLEDO. O.

TIMES Circ. D. 28,456 - S. 65,304

sleeping cars.

Pullman Loses Antitrust Suit PHILADELPHIA May 8 ( $\phi$ — PHILADELPHIA May 8 ( $\phi$ — The derest on July 12, 1940. The derest bare may be on interlocking directors' among interlocking directors' among the derest bare may be on interlocking directors' among the derest bare may be on interlocking directors' among the derest bare may be on interlocking directors' among the derest bare may be derest bare derest bare derest bare ton interlocking directors' among the derest bare derest bare derest bare derest bare der derest bare der der der derest bare der derest bare derest bare der derest bare der der der der der der derest bare der der der der der der der der der derest bare der der der der der der der der derest bare der der der derest bare der de

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The court issued a final decree in an anti-trust suit filed by the gov-ernment against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pull-man, Inc., top holding corporation; the Pullman company, which fur-nishes "personal service" on cars, the Pullman - Standard Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to de-cide which branch of the business it will retain.

The court directed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

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"What action the Pullman group of companies will take cannot be stated until we have an opportunity to make a thorough study and analysis of the effect of the provisions of the decree upon the con-duct of our business," he asserted.

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"Pullman Inc. may through a subsidiary either operate sleeping cars or it may manufacture them, but not do both. For example, should it elect to continue the sleeping car operation it could no longer be the maker of the cars-the tools used in rendering to its railroad customers the service it contracts to deliver, Should Pullman Inc. elect to continue through its car manufac-turing subsidiary the building of sleeping cars, it could not operate them.'

Crawford also disclosed the company's belief that the decree "in-volves a limitation on the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job.

"Puliman's successful develop-ment of a sleeping car business serving the national interest has to a very large extent been made possible by the superior quality and economy of the equipment it has been able to design, construct and use in its service," Crawford emphasized.



TOLEDO, O.

TIMES Circ. D. 28.456 - S. 65.304

Antitrust Suit PHILADELPHIA, May 8 (P-A pelai the-cyloide federal (hor, the Pullman Co, which fur-pelai the-cyloide federal (hor, the Pullman Co, which tor, the Pullman Co, which fur-today ordered the Pullman group the give up either its railtone for mundacturing business or the fur-Unless an appeal is taken the degree up with the defaultion in the degree nishing of "personal service" on decree will be effective in 60 days. sleeping cars.



This Clipping From IRON AGE NEW YORK, N. Y.

MAY 1 1 1944

### Divorce Enterprises, Pullman Ordered

#### Philadelphia

• • • In a decision by the District Court at Philadelphia, a three-judge Federal panel ordered Pullman, Inc.. to separate "completely and perpetu-

> KEENE, N. H. SENTINEL Cir. D. 4,388 MAY 8- 1944

# PULLMAN DECISION

Philadelphia, May 8, (/P)-A special three-judge federal court today ordered the pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Puilman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation; the Pullman company, which fur-nishes "personal service" on cars, the - Standard Manufacturing Pullman Corporation of Alabama

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to de-cide which branch of the business it will retain.

The court directed that a pian for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

ally" its railroad car building business from its sleeping car enterprise. The court upheld the government's contention that the Pullman companies and its 31 officers and directors violated the Sherman Anti-Trust Act through the operation of a complete monopoly, and gave Pullman, Inc., the top holding company, the choice of operating either its sleeping cars or its car manufacturing business but not both.

This decision follows a 212 year suit by the government and becomes effective within 60 days unless an appeal is carried to the United States Supreme Court, an action that is almost a certainty. At the same time, Pullman, Inc., was given 90 days to make a choice as to future corporate standing and file a plan for hearings and approval to effectuate the separation of its business. After such an approval by the court, Pullman, Inc., will be given one year in which to carry out the separation of its enterprises and to abide by the provisions of the order.

The court order directs that Pullman. Inc., divest itself of control over one of its two associated units, the Pullman Co., which operates the sleeping car business; or Pullman-Standard Car Mfg. Co., which, with its subsidiary, Pullman Car and Mfg. Corp. of Alabama, builds railroad cars.

CLEVELAND. O. PRESS Cir. D. 227 906

# MAY 9 - 1944 Pullman Studies **Separation Order**

CHICAGO, May 9-(U.P.)-David A. Crawford, president of Pullman inc., is uncertain at this time what action the Pullman group will take following a court decree ordering separation of the company's railroad car manufacturing and service businesses

The decree entered in the Dis-trict Court at Philadelphia today is not a consent decree and either party may ... take an appeal from its provisions to the Supreme Court of the United States,' Crawford said late yesterday.

"What action the Pullman group of companies will take cannot be stated until we have an opportunity to make a thorough study and analysis of the effect of the provisions of the decree upon the con-duct of our business," he asserted. Crawford's formal statement added that "under this decree, if finally sustained, a separation be-

tween the Pullman company, which operates the sleeping car business, and Pullman-Standard Car Manufacturing Co., the associated carbuilding company, must be effected. One of these operations must be disposed of and the decree gives Puliman Inc. the right to make the choice.

"Pullman Inc. may through a subsidiary either operate sleeping cars or it may manufacture them, but not do both. For example, should it elect to continue the sleeping car operation it could no longer be the maker of the cars-the tools used in rendering to its railroad customers the service it contracts to deliver, Should Pullman Inc. elect to continue through its car manufacturing subsidiary the building of sleeping cars, it could not operate them '

Crawford also disclosed the company's belief that the decree volves a limitation on the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job.

"Pullman's successful development of a sleeping car business serving the national interest has to a very large extent been made possible by the superior quality and economy of the equipment it has been able to design, construct and use in its service," Crawford emphasized.

#### TOLEDO, O. TIMES Circ. D. 28,456 - S. 65,304

# MAY 9 - 1944 **Pullman Loses** Antitrust Suit

PHILADELPHIA, May 8 (P-A tion; the Pullman Co., which tur-special three-judge federal court inshes "personal service" on cars, today ordered the Pullman group ing Co., or the Pullman Car & Man-te give up either its railroad car ufacturing Corp. of Alabama. manufacturing business or the fursieeping cars.

The court issued a final decree in antitrust suit filed by the government against the Puliman interests on July 12, 1940. Under the decree there may be

no "interiocking directors" among PHILADELPHIA, May 8 (P)-A tion; the Pullman Co., which fur-merial three-judge federal court nishes "personal service" on cars.

Unless an appeal is taken the nishing of "personal service" on decree will be effective in 60 days.







Sheffield, Ala. Tri-Cities Daily Cir. D. 4360

#### MAY 8- 1944

PHILADELPHIA,  $(4^{2}) - A$  special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

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The court directed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.



#### PULLMAN GROUP DIVORCE ORDERED

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Under the decree there may be no "interlocking directors" among Pullman, Inc. top holding corporation: The Pullman Company. which furnishes "personal service" on cars, the Pullman-Standard Manufacturing Co, or the Pullman Cart and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain. The court directed that a plan

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Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation; the Pullman Company, which furnishes "personal service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corporation of Alabama.



#### **To Separate Interests**

PHILADELPHIA. May 9-(?)-A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation; the Pullman Comany, which furnishes "PFSORAI service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.



BIRMINGHAM. ALA.

NEWS

Circ. D. 99.490

Court Orders Decision; 'Interlocking Directors'

Ruled Out Under Decree

"PHILADELPHIA-(P)-A special three-judge Federal Court Monday ordered the Pullman group to give up either its rairoad ear manufacturing business or the furnishing of "personal service" on sleeping cars. The court issued a final decree in an anti-rust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree, there may be no "interlocking directors" among Pullman, Inc., top holding corporation; the Pullman Company, which ' furnishes "personal service" on ' cars, the Pullman-Standard Manufacturing Company, or the Pullman Car & Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.



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ufacturing business of the furnishing of "personal service" on sleeping cars. The court issued a final decree in an anti-trust suit filed by the government against the Fullman interests on July 12, 1940.

Sheffield, Ala. **Tri-Cities Daily** Cir D 4 360

#### MAY 8 - 1944

PHILADELPHIA, (P) - A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the gov-ernment against the Pullman in-terests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Puliman, Inc., top holding corporation; the <u>Fullman</u> Company, which furn-ishes "personal service" on cars, the Pullman - Standard Manufacturing Co., of the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Puliman was given 90 days to de-cide which branch of the business it will retain.

The court directed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.



#### MAY 9 - 1944 PULLMAN GROUP DIVORCE ORDERED

PHILADELPHIA, May 8-(AP)-A special three-judge federal court Monday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal scrvice" on sleeping cars.

steeping cars. The court issued a final decree in an anti-trust suit filed by the government against the Pullman in-terests July 12, 1940. Under the decree there may be no "interlocking directors" among Pullman, inc. top holding corpora-tion; The Pullman Company, which furnishes "presonal service" on furnishes "personal service" on cars, the Pullman-Standard Manu-facturing Co., or the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman com-pany from holding securities in any other

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GADSDEN. ALA. TIMES Cir. D. 8.810 - S. 8.810

# MAY 8 - 1944 Decree Is issued Against Pullman

PHILADELPHIA, May 8 .- (P) special three-judge fcderal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decres in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman. Inc., top holding corporation; the Pullman Company, which furnishes "personal service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corporation of Alabama.



#### MAY9 - 1944 Pullman Co. Ordered To Separate Interests

PHILADELPHIA. May 9-(P)-A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding cor-poration; the Pullman Comany, which furnishes "personal service on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

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BIRMINGHAM, ALA. NEWS Circ. D. 99 490

# MAY 8-1944 Pullman Must Cease Its 'Personal Service' Or Stop Making Cars

Court Orders Decision: 'Interlocking Directors' Ruled Out Under Decree

PHILADELPHIA-(P)-A special three-judge Federal Court Monday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars. The court issued a final decree in an anti-trust suit filed by the government against the Pullman intcrests on July 12, 1940.

Under the decree, there may be "interlocking directors" among Pullman, Inc., top holding corpora-tion: the Pullman Company, which furnishes "personal service" on furnishes "personal service" on cars, the Pullman-Standard Manufacturing Company, or the Pullman Car & Manufacturing Corporation of Alahama.

The decree forbids officers or di-rectors of any one Pullman com-pany from holding securities in any other

Pullman was given 90 days to decide which branch of the business it will retain

The court directed that a plan for the separation of the husinesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal. the judges said,

> ANNISTON, ALA. STAR Cir. D. 6.870 - S. 6.957

MAY 8 - 1944 Pullman Must Give Up **Building Or Car Service** 

PHILADELPHIA, May 8. (P)-A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on slceping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman government against the interests on July 12, 1940.



Illman Ordered By Court To End 40-Year Monopoly

MAY 9 - 1942

Four Firms Must Give Up **Railway Car Building Or Other Services** 

PHILADELPHIA - (UP) - The Pullman group of companies was ordered to dissolve its 40-year mo-nopoly of servicing and manufac-turing Pullman railroad cars in a "final decree" entered Monday by a three-judge expediting court.

The decree was issued in the gov ernment's antitrust suit filed against the four Puliman companies July 12 1940. It ordered the companies to divorce their manufacturing and servicing businesses.

The court ruled that the Pullman group give up either the manufac-turing business or the railroad Pullman servicing business, but left runnan servicing business, but left the choice up to the group of com-panies. The decree becomes effec-tice within 60 days unless an ap-peal is taken to the U. S. Supreme Court.

Up To Company The court also directed that the The court also directed that the company must make its decision within 90 days, and the plan of court. If the plan is not accept-able, the court will issue its own plan of divorcing the two businesses.

The decree was directed against The decree was directed against Pullman, Inc., Pullman Co., Pull-man-Standard Car Manufacturing Co., and Pullman Car & Manufac-turing Co. of Alabama. The court's order opens the way for other manufacturers to enter the field in open competition for the manufac-ture of Puliman cars and for new companies to compete for the fur-nishing of service on the sleepers.

Hits "Exclusive Right" The decree, signed by Judges Albert B. Maris, John Biggs, Jr., and Herbert F. Goodrich, ruled out the "exclusive right" contracts between the servicing company and the railroads.

The court held that the servicing company can acquire new cars ing company can acquire new Cars only through open competition, and must furnish its specifications and give the work to the lowest responsible bidder.

Although the court held that the 31 officers and directors of the four companies were guilty with the corporations of violating Sections 1 and 2 of the Sherman act, it did and 2 of the Sherman act, it did not enter judgment against them. The court held the result sought by the Justice Department would be attained in the decree entered against the corporations.

# COURT ORDERS SPLIT IN FIRM

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other. Pullman was given 90 days to decide which branch of the busi-ness it will retain. The court directed that a plan for the separation of the business-es be filed within a year. If the plan is not acceptable the court it-self will make a proposal, the judges sold.



IN PULLMAN CASE

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the other. The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's four-year-old anti-trust suit will be ef-factive in 50 days.

WALL STREET JOURNAL PACIFIC COAST EDITION 415 Bush St., San Francisco, Calif.

# MAY 10 1944

A. A. R. to Consider Pullman Problem: Cooperation Hinted

NEW YORK-The Association of American Railroads plans to hold meetings soon to con-Railroads plans to hold meetings soon to con-sider the whole problem raised by the court decree that Pulman, inc., comfine its operations to either sieeping car or manufacturing business

Sentiment leans toward the possibility that the company's sleeping car subsidiary; Pulman Co., would be taken over jointly by the railroads and operated along cooperative lines of the Railway Express Agency

Because A. A. R. has so many non-passenger carrying members, it is doubted the association would go into business for the railroads or play a part other than to assemble views of members and coordinate their efforts at finding substitute for Pullman Co.

Meanwhile, a definite program is not likely to be made known by Pullman, Inc., until its attorneys and directors decide on whether t take an appeal to the Supreme Court, it was indicated.

Here are several factors which would sug gest the company might decide to remain in the manufacturing business and dispose of it travel operations:

Competition expected from other forms of transportation after the war.

Average pre-war low return on the com pany's investment in sleeping car subsidiar pany a investment in scepping car subsidiary and the fact that Puliman, Inc., in its propose for a decree asked option to sell either its sleep ing car subsidiary or Pulman. Standari Manufacturing Co. rather than abide by th Justice Department's insistence that it sell Pull man-Standard.

Total investment in the manufacturing busi-Total investment in the manuacturing buar-ness has grown considerably in recent years, although net depreciated value of \$66,395,007 for carrier properties as of the close of 1943 com-pared with a net depreciated value of \$31,474,33 for the manufacturing properties. One previous mtCh-discussed way of separat-

ing its business-formation of a separate con ing its ousness formation of a separate com-pany and distribution of the latter's shares to present stockholders apparently has been elim-inated by the coust's pres.



MAY 9 - 1944 Ilman Ordered **By Court To End** 40-Year Monopoly

MOBILE, ALA. REGISTER

Cir. D. 21.433

Four Firms Must Give Up **Railway Car Building Or Other Services** 

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The decree was issued in the gov ernment's antitrust suit filed against the four Pullman companies July 12, 1940. It ordered the companies to divorce their manufacturing and servicing businesses.

The court ruled that the Puilman group give up either the manufacturing business or the railroad Pullman servicing business, but left the choice up to the group of companies. The decree becomes effectice within 60 days unless an appeal is taken to the U.S. Supreme Court.

Up To Company The court also directed that the company must make its decision within 90 days, and the plan of within 30 days, and the plan of separation must be filed with the court. If the plan is not accept-able, the court will issue its own plan of divorcing the two businesses

The decree was directed against Ine decree was directed against Pullman, Inc., Pullman Co., Pull-man-Standard Car Manufacturing Co., and Pullman Car & Manufac-turing Co. of Alabama. The court's order opens the way for other manufacturers to enter the field in open competition for the manufacture of Pullman cars and for new companies to compete for the furnishing of service on the sleepers.

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Although the court held that the 31 officers and directors of the four companies were guilty with the corporations of violating Sections 1 and 2 of the Sherman act, it did not enter judgment against them. The court held the result sought by the Justice Department would be attained in the decree entered against the corporations. 1

# DAILY Cir D 7.112 MAY 8 - 1944 COURT ORDERS SPLIT IN FIRM

DECATUR, ALA.

PHILADELPHIA, May 8-(P)-A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service"

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#### WALL STREET JOURNAL PACIFIC COAST EDITION 415 Bush St., San Francisco, Calif

# 386V 1 0 1944

A. A. R. to Consider Pullman Problem; Cooperation Hinted

NEW YORK-The Association of American Railroads plans to hold meetings soon to consider the whole problem raised by the court decree that Pullman, Inc., confine its operations to either sleeping car or manufacturing business

Sentiment leans toward the possibility that the company's sleeping car subsidiary, Pullman Co., would be taken over jointly by the railroads and operated along cooperative lines of the Railway Express Agency

Because A. A. R. has so many non-passengercarrying members, it is doubted the association would go into business for the railroads or play a part other than to assemble views of members and coordinate their efforts at finding a substitute for Pullman Co.

Meanwhile, a definite program is not likely. to be made known by Puliman, Inc., until its attorneys and directors decide on whether to take an appeal to the Supreme Court, it was indicated.

Here are several factors which would suggest the company might decide to remain in the manufacturing business and dispose of its travel operations:

Competition expected from other forms of transportation after the war.

Average pre-war low return on the company's investment in sleeping car subsidiary and the fact that Pullman, Inc., in its proposal for a decree asked option to sell either its sleep ing car subsidiary or Pullman Standard Car Manufacturing Co. rather than abide by the Justice Department's insistence that it sell Pullman-Standard.

Total investment in the manufacturing business has grown considerably in recent years, although net depreciated value of \$66,395,907 for carrier properties as of the close of 1943 compared with a net depreciated value of \$31,474,336 for the manufacturing properties.

One previous much-discussed way of separating its business-formation of a separate company and distribution of the latter's shares to present stockholders-apparently has been eliminated by the court's derree.



MOBILE, ALA. REGISTER Cir. D. 21.433

# MAY 9 - 1944 Ilman Ordered By Court To End 40-Year Monopoly

#### Four Firms Must Give Up **Bailway** Car Building Or Other Services

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MAY 8 - 1944 COURT ORDERS SPLIT IN FIRM

DECATUR, ALA.

DAILY

Cir. D. 7,112

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The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

> NORWICH, CONN. BULLETIN Cir. D. 16.342

# MAY 9 - 1944

#### COURT DECISION IN PULLMAN CASE

PHILADELPHIA, May 8-(AP)-The Pullman companies, held to exercise an exercise an illegal menopoly of building and servicing rallway sleeping cars, were ordered by a special three-judge federal court to give up one business or the other

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WALL STREET JOURNAL PACIFIC COAST EDITION 415 Bush St., San Francisco, Calif.

15

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Here are several factors which would suggest the company might decide to remain in the manufacturing business and dispose of its travel operations:

Competition expected from other forms of transportation after the war.

Average pre-war low return on the company's investment in sleeping car subsidiary, and the fact that Pullman, Inc., in its proposal for a decree asked option to sell either its sleeping car subsidiary or Pullman-Standard Car Manufacturing Co. rather than abide by the Justlee Department's insistence that it sell Pullman-Standard.

Total investment in the manufacturing business has grown considerably in recent years, although net depreciated value of \$66,395,907 for carrier properties as of the close of 1943 compared with a net depreciated value of \$31,474,336 for the manufacturing properties.

One previous much-discussed way of separating its business-formation of a separate company and distribution of the latter's shares to present stockholders-apparently has been eliminated by the court's derree.



# MAY 9 - 1944 PULLMAN FIRMS ORDERED BY COURT TO SPLIT BUSINESS

BRIDGEPORT, CONN.

PHILADELPHIA, May 8 --- (AP) The Puliman companies, held to exercise an filegat monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge Federal court today to give up one business or the other.

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The suit named Pullman, Inc., the Pullman company, which provides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing corporation of Alabama and 31 offleers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon.

Under the decree officers and directors of any one Puliman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Biggs, Jr., Albert B. Maris and Herbert F. Goodrich-directed that the companies file a plan for the separation within a year.

If the plan is not acceptable, the judges said, the court itself will make a proposal,

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### waterpury. conn. Republican Gr. D. 1587 – 5. 21516 MAY 9 - 1944 Court Orders Pullman Group To Split Up

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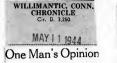
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# Cir. 0. 15878 – S. 22516 MAY 9 – 1944 Lourt Orders Pullman Group To Split Up

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### REGISTER Cir. D. 69,619 - 5, 69.619 MAY 9 - 1944 Pullman Company Must **Give Up Illegal Monopoly**

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HARTFORD, CONN. COURANT Circ. D. 43.062 - S. 71.650

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#### Circ. (D 164.279)

This Clipping From TORONTO, CANADA GLOBE & MAIL

# MAY 9- 1944 PULLMAN GROUP MUST BREAK UP

Philadelphia, May 8 (AP) .- A special three-judge Federal Court has ordered the Puliman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping Cars.

The court issued a final decree in an anti-trust suit filed by the Government against the Puliman inter-ests July 12, 1940.

Under the decree there may be no "interlocking directors." Among Pullman, Inc., top holding corpora-tion; the Pullman Company.' which furnishes "personal service" on cars; the Pullman-Standard Manufacturing Company, or the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Puliman com-pany from holding securities in any other.

Puliman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.



### **Ruling** Issued In Pullman Case

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#### NO EXCLUSIVE CONTRACT

While the manufacturing unit had no exclusive right contract, it supplied the servicing unit with sleeping cars.

Henceforth, the court ruled, the servicing company may acquire new cars only through open competition and not exclusively from its associate. The servicing com-pany was directed to furnish other car manufacturers with specifications for any new cars it desires. The decree bccomes effective in

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STRIBATIATOLIS, IND., STAR

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ALBANY, GA. HERALD Cir. D. 7,090 - S. 7,048



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ATLANTA, GA. CONSTITUTION Cir. D. 122.021 - S. 132.689

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SPRINGFIELD, MASS. REPUBLICAN

Circ. D. 14.504

U. S. Court Orders Companies to Give Up Either Making or Servicing of Railroad

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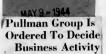
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court opinion, recently enacted, in the 'public interest.' legislation merg ing the only two remaining telegraph companies, leaving one in 'sole pos-session of the field.'"



NORTHAMPTON, MASS HAMPSHIRE GAZETTE Cir. D. 8,932

Philadelphia, May 9.—AP.—A special three-judge federal court yesterday ordered the Pullman group to give up either fits Fail-road car manufacturing business or the furnishing of "personal service" on sleeping cats. The court issued a final decree in an anti-trust suit fitled by the

government against the Pullman interests on July 12, 1940.

Under the decree there may be "interlocking directors" among Pullman, Inc., top holding corpor-ation; the Pullman company, ation; the Pullman company, which furnishes "personal serv-ice" on cars, the Pullman-Stand-ard Manufacturing Co., or the Pullman Car and Manufacturing Corporation of Alabama

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the busi-ness it will retain.

The court decreed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said



ercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge Federal court today to give up one business or the other.

builtness or the other. The group of four companies wai-ness, it will retain. Unless an appeal is taken, the from decree entered in the Government's four-vest-old anti-the Government's four-vest-old anti-David A. Grawford, president of Poilman, Inc. top company in the folde whether to appeal after studying the effect of the order, which he study involves a limitation of the fundafor himself the tools into which he puts his own money to perform his ioh

The court directed that the com-panles file a plan for the separation within a year. If the plan is not ac-ceptable, the judges said, the court itself will make a proposal.



## Pullman Companies **Must Choose**

PHILADELPHIA, May 8 (AP)-The Puliman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other

The group of four companies was given 90 days to decide which business it will retain. Unless an apmeai is taken, the final decree en-tered in the government's four-year-old anti-trust suit will be effective in 60 days.

David A. Crawford, president of Puilman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order. which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

The suit named Puilman, Inc., the Puliman company, which provides "personal service" aboard sleeping cars; the Puliman-Stan-dard Car Manufacturing Co., the Puliman Car and Manufacturing corporation of Alabama and 31 officers and directors including Al-fred P. Sioan, Jr., Harold S. Vanderbilt, and Richard K. Mellon,

derbilt, and Richard K. Mellon. Under the decree officers and directors of any one Puliman com-pany are prohibited from hoiding securities in any other, and from serving on the boards of any other. The court-Circuit Judges John Biggs, Jr. Albert B. Maris and Herbert F. Goodrich-directed that the comparise flees plan for the

the companies file a plan for the separation within a year.

If the pian is not acceptable, the judges said, the court itself will make a proposal.

Crawford said the court "held against us apparently because through the development of an efficient, economical and practical way of conducting the sleeping car business, which inured to the "public interest," we became in a perfective natural and inevitable way the only sleeping car company in the United States.

"Yet the Congress of the United tates, moving in precisely the States, opposite direction to that taken in the court opinion, recently enacted, in the 'public interest,' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the field.'"

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SPRINGFIELD, MASS. REPUBLICAN Circ. D. 14.504

### MAY 3 - 1944

## PULLMAN ACCUSED OF A 'MONOPOLY' IN **SLEEPING CAR FIELD**

### U. S. Court Orders Companies to Give Up Either Making or Servicing of Railroad Equipment

Philadelphia, May 8 - (AP) - The Pullman companies, held to exercise an Hegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies The group of four companies was given 90 days to decide which busi-ness it will retain. Unless an ap-peal is taken, the final decree en-tered in the government's four-year-old antitrust suit will be effective in 60 days.

#### Companies May Appeal



The suit named Pullman, inc., the Pullman company which provides "personal service" aboard sleeping

the Pullman - Standard Co. carse; the Pullman - Standard Car Manufacturing company, the Pull-man Car and Manufacturing Corpora-tion of Alabama and 30 officers and directors, including Afred P. Shoan, Jr., Harold S. Vanderbilk and Richand K. Mellon. Under the decree officers and di-Under the decree officers and di-

Under the decree officers and di-rectors of any one Publican con-pany are prohibited from holding se-curities in any other, and from serv-ing on the baseds of any other. The court - Circuit Julies John Biggs, Jr., Albert B. Marks and Her-hert F. Goudrich directied that the companies file a rian for the relian is flow difficient a year. If the add the

companies file a plan for the repart flow within a year. If the plan is not neceptable, the judges said, the coments of will make a proposal. Crawford said the coment "held against us apparently because through the development of an eff-

inrough the development of an ef-heient economical and pro-treal way of conducting the skeeping cas busi-ness, while innuced to the 'public li-terest,' we because in a perfectly natural and inevitable way the only skeeping car company in the United

States, "Yet the Congress of the United "Yet the Congress of the United States, moving in precisely the op-posite direction to that taken in the court opinion, recently enacted, in the 'public interest,' legislation mersing the only two remaining telegraph compaties, leaving one in 'sole pos-session of the field.'"

### NORTHAMPTON, MASS. HAMPSHIRE GAZETTE Cir. D. 8.932

## MAY 9 - 1944 Pullman Group Is Ordered To Decide **Business Activity**

Philadelphia, May 9. AP A special three-judge federal court yesterday ordered the Pullman group to give up either fis raffroad car manufacturing business or the furnishing of "personal service" on sleeping cars. "personal

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be "interlocking directors" among Pullman, Inc., (op holding corpor-ation; the Puliman company, which furnishes "personal serv-ice" on cars, the Pullman-Standice" ard Manufacturing Co., or the Pullman Car and Manufacturing Corporation of Alabama

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the busi-ness it will retain.

The court decreed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said

### SPRINGFIELD, MASS. MORNING UNION Circ. D. 78.711

## MAY 9 - 1944 Pullman Told to **Cut Its Business**

PHILADELPHIA, May 8 (AP) the Pullman Companies, held to exsold servicing railway sleeping cars, wore ordered by a special three-judge Federal court today to give up one

business or the other. The group of four companies wa The group of four companies was given 90 days to decide which hush-ness it will retain. Unless an appeal is taken, the final decree entered in the Government's four-year-old antitrust suit will be effective in 60 days David A. Crawford, president of Pullman, inc., top company in the fullman, inc., top company in the group, said the companies would de-clde whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his

The court directed that the com-panies file a plan for the separation within a year. If the plan is not ac-ceptable, the judges said, the court ceptable. itself will make a proposal.

### BANGOR. ME. NEWS Cir. D. 31.855 MAY 9 - 1944

## Pullman Companies Must Choose

PHILADELPHIA. May 8 (AP) The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an apweal is taken, the final decree ent tcred in the government's four-ycar-old anti-trust suit will be eftective in 60 days

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for hlmsclf the tools into which he puts his own money to perform his job."

The suit named Pullman, Inc., the Pullman company, which provldcs "personal scrvice" aboard sleeping cars; the Pullman-Standard Car Manufacturing Co. the Puliman Car and Manufacturing corporation of Alabama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon,

Under the decree officers and Under the decree officers and directors of any one Pullman com-pany are prohibited from holding securities in any other, and from scrying on the boards of any other.

The court-Circuit Judges John Biggs. Jr., Albert B. Maris and Herbert F. Goodrich-directed that the companies filees plan for the separation within a year.

If the plan is not acceptable, the judges said, the court itself will make a proposal.

Crawford said the court "held against us apparently because through the development of an efficient, economical and practical ay of conducting the sleeping car way of conducting the steeping car business, which inured to the "public interest," we became in a perfectly natural and inevitable way the only sleeping car company in the United States. "Yet the Congress of the United

States, moving in precisely the opposite direction to that taken in the court opinion, recently cnacted, in the 'public interest,' legislation merging the only two remaining tclegraph companies, leaving one in 'sole possession of the ficld.'"

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MAY 9-1944 Order Pullman Monopoly Broken

AUGUSTA, MF

**KENNEBEC JOURNAL** 

Cir. D. 9.175

Philadelphia, May 8-(P)-The Pullman Companies, held to exer-cise an illegal monopoly of building cise an inegal monopoly of building and servicing rallway sleeping cars, were ordered by a special three-judge federal court today to give-up one business or the other.

judge rederal court today to give upone business or the other, was then so days todecide which was needed to the second second second pear is also todecide which busi-pear is a laken, the final decret pear out anti-trust suit will be ef-fective in 60 days. Second second pearline would group, and the companies would pullman, inc. top company in the group, and the companies would ended whether, to group with the order, which he said 'involves a limitation of the fundamental right of a con-toois into which he puts his own money to perform his job. The, the Fullman Company, which pro-tides 'perform his pick' about despine cars, the Fullman-Band septime cars, the Fullman-Band septime cars, the Fullman-Band septime cars, the Fullman-Band Scorportion of Alabama and 31 off or State and Manufacturing Corporation of Alabama and 31 off or State and Kanufacturing Corporation of Alabama and 31 off or State and Kanufacturing Corporation of Alabama and 31 off or State and Kanufacturing Corporation of Alabama and 31 off of State and State and State and alabama and alabama and 31 off or State and State and State and alabama and alaba



RECORD Circ. D. 329.376



## Pullman Must End Monopoly

PHILADELPHIA (AP)-A spe cial three-judge Federal court or dered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding cor-porations the Pullman Co., which furnishes "personal service" on cars; the Pullman-Standard Man-ufacturing Co., or the Pullman Cours and Manufacturing Corp. of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to lecide which branch of the business it will retain.



PORTLAND, ME.

### Anti-Trust Suit Began In 1940

Philadelphia, May 8-(AP). The Pullman companies, held to exercise an megal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business of the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to per-form his job."

The suit named Pullman, Inc., the Pullman Company, which provides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing Corporation of Alabama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S Vanderbilt, and Richard K. Mellon.

Under the decree, officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Biggs, Jr., Albert M. Maris and Herbert F. Goodrich-directed that the companies file a plan for the separation within a year. If the plan is not acceptable, the judges said, the court itself will make a proposal

Crawford said the court "held against us apparently because through the development of an efficient, economical and practical way of conducting the sleeping car business, which inured to the 'public interest,' we became in a perfectly natural and inevitable way the only sleeping car company in the United States... "Yet the Congress of the United

States, moving in precisely the opposite direction to that taken in the court opinion, recently enacted, in the 'public interest,' legislation merging the only two remaining telegraph companies leaving one in sole possession

## MAY 8 - 1944 Court Orders Pullman Group to Give Up One of Two Businesses

BOSTON, MASS. GLOBE (EVENING)

Cir. D. 160.731

PHILADELPHIA. May 8 (AP)-A print ADELPHIA. May of APPena special three-judge Federal Court today ordered the Pullman group to give up either its ramend car manu-facturing business or the furnish-ing of "personal service" on sleeping cars. The court issued a final decree in

an anti-trust suit filed by the Government against the Pullman inter-ests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation; man, Inc., top holding corporation; the Pullman Company, which fur-nishes "personal service" on cars; the Pullman-Standard Manufactur-ing Company, or the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other. Pullman was given 90 days to de-cide which branch of the business

it will retain. The court directed that a plan for The court directed that a pian for the separation of the businesses be filed within a year. If the pian is not acceptable, the court itself will make a proposal, the judges

will make a proposal, the judges sad. At the Serving Company has Manufacturing Company which railcoad companies under which railcoad companies under which railcoad company are set of the service of the method of the service of the the Manufacturing Company under which it purcháces slepers only mendorith, the court ruled, the servicing Company may acquire new cars only through open com-pany was directed to furniph other cars manufacturers with specifica-tions for any new cars it desires. The decree becomes directed was

The decree becomes effective in 6° days unless the Pullman groups appeals to the Supreme Court.



AUGUSTA, ME. KENNEBEC JOURNAL Cir. D. 9 17

### MAY 9-1944

## Order Pullman **Monopoly Broken**

Philadelphia. May 8-0Pi-The Puilman Commandes, held to exci-cise and flegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days todecide which busi-ness it will retain. Unless an ap-peal is taken, the final decree en-tered in the government's four-year-old anti-trust suit will be cf-fective in 66 days.

year-old anti-truit suit will be of-teelve in 60 days. prevident of David A. Crawforomplany in the group, said the companies would decide whether to appeal after studying the effect of the midstion of the fundamental right of a con-tractor to make for humself the toois into which he puts his own The suit named Pullman, Inc. the Pullman Company, which pro-dices presonal spuils. Situation ard Car Manufacturing Con-pullman Car and Manufacturing Corporation of Alabama and 3 Afred ry, Slaan, Jr., Harold S. Vanderbilt, and Richard K. Meilon.

BOSTON, MASS. RECORD Cire. D. 329.378



## Pullman Must End Monopoly

PHILADELPHIA (AP)-A sue cial three-judge Federal court ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding cor-poration, the Pullman Co., which furnishes "personal service" on cars: the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corp. of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

PORTLAND, ME. PRESS-HERALD Cir. D. 40.513

## MAY 9 - 1944 **Court Orders Pullman** Firm To Dissolve

### Anti-Trust Suit Began In 1940

Philadelphia, May 8-(AP)-The Pullman companies, held to exercise an fliegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business of the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to per-

The suit named Pullman, Inc., the Pullman Company, which provides "personal service" aboard sleeping cars: the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing Corporation of Alabama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon

Under the decree, officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Biggs, Jr., Albert M. Maris and Herbert F. Goodrich-directed that the companies file a plan for the separation within a year. If the plan is not acceptable, the judges said, the court itself will make a proposal.

Crawford said the court "held against us apparently because through the development of an efficient, economical and practical way of conducting the sleeping car business, which inured to the 'public interest.' we became in a perfectly natural and inevitable way the only sleeping car company in the United States.

"Yet the Congress of the United States, moving in precisely the opposite direction to that taken in the court opinion, recently enacted. in the 'public interest.' legislation merging the only two remaining telegraph companies leaving one in sole possession of the field."

BOSTON, MASS GLOBE (EVENING) Cir. D. 160.731

## MAY 8 - 1944 **Court Orders Pullman** Group to Give Up One of Two Businesses

PHILADELPHIA, May 8 (AP)-A tritLADELPHIA, May 8 (AP)-A special three-judge Federal Court today ordered the Pullman group to give up either its rithrad car manu-facturing business or the furnish-ing of "personal service" on sleep-ing correspondences. ing ears

The court issued a final decree in an anti-trust suit filed by the Gov-ernment against the Pullman interests on July 12, 1940.

Under the decree there may be interlocking directors" among Pullthe Pullman Company, which fur-nishes "personal service" on cars, the Puliman-Standard Manufacturing Company, or the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or di-rectors of any one Pullman company from holding securities in any other. Pullman was given 90 days to de-cide which branch of the business

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges

At present the Servicing Company and the Manufacturing Company have "exclusive right" contracts with railroads must use Pullman must be an and the service of the service which railroads must use Pullman service on Pullman-made sleepers The Servicing Company 'lso has an "exclusive right" contract with the Manufaeturing Company under

the Manuaeturing Company under which it purchases sleepers only from the manufacturing unit. Henceforth, the court ruled, the Servicing Company may acquire

new cars only through open com-petition and not exclusively from petition and not exclusively from its associate. The Servicing Com-pany was directed to furnish other car manufacturers with specifica-tions for any new cars it desires.

effective in The decree becomes 60 days unless the Pullman groups appeals to the Supreme Court.

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BOSTON, MASS. NEWS BUREAU Circ. D. 4 986 MAY 9 - 1944

## **Orders Pullman Divestment**

Must Give Up Either Car Manufacturing Or Sleeping Car **Operations Under Final Decree Of Three-Judge** Federal Court

Philadelphia (AP)-A special three-judge federal court yesterday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940. Under the decree there may be no "interlocking directors"

among Pullman, Inc., top holding corporation, the Pullman Co.,

#### **Ruling May Be Appealed To Supreme Court**

Philadelphia-Statement issued by David A. Crawford, presi-dent of Pullman Inc., in connection with the decree in the anti-

dent of Pullman Inc., in connection with the decree in the anti-trust with in Philodelphia says in part: in the second second second second second second second not a consent decree and either party may as a matter of right take an appear from its provisions to the Supreme Court of the United States. What action the Pullman group of companies will take anot be stated until we have had an opportunity to make a thorough study and analysis of the effect of the provisions of the decree upon the conduct of our huminess. If finght suc-

"We can say, however, that under this decree, if finally sus-"We can say, nowever, that indire this decree, it much sub-tained, a separation between the Pullman Co., which operates the sleeping-car business, and Pullman-Standard Car Manu-facturing Co., ihe associated car-huilding company, must be effected. One of these operations must be disposed of and the decree gives Pullman inc. the right to make the choice. Pullman Inc., through a subsidiary, may, either operate sleeping cars or it may manufacture them."

which furnishes "personal service" on cars, the Pullman Standard Manufacturing Co. or the Pullman Car & Manufacturing Corp. of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any order.

Given 90 Days To Decide

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At present the servicing company and the manufacturing company have "exclusive right" contracts with railroad companies under which the railroads must use Pullman service on Pullman-made sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only from the manufacturing unit.

Henceforth, the court ruled, the servicing company may

acquire new cars only through open competition and not exclusively from its associate. Servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires.

Decree becomes effective in 60 days unless Pullman groups appeal to the Supreme Court.

Members of the special court were Judges John B. Biggs, Jr., Albert Maris and Herbert F. Goodrich.

In the event that an appeal is taken to the Supreme Court by the Pullman group, the effective date of the decree is the day after the Supreme Court hands down its mandate.

WORCESTER, MASS. GAZETTE Cir. D 84.513 MAY 8- 1944

# PULLMAN ORDERED TO SPLIT BUSINESS

Federal Court Rules for Government in Anti-Trust Suit -- Sleeping Car Service or Manufacturing Is Choice

PHILADELPHIA, May 8 (AP)-A special three-judge Federal Court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars,

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

interests on July 12, 1940. Under the decree there may be no "interlocking directors" among Pullman, Inc. top holding corporation; the Pullman Co., which furmishes "personal serv-ice" on cars, the Pullman-Stan-dard Manufacturing Co., or the Pullman Car & Mfg. Corp of Alabama.

(The Pullman-Standard Mfg. Co. has a branch in Greendale where passenger cars have been

manufactured.) The decree forbids officers or directors of any one Pullman company from holding securities

in any other. Pullman was given 90 days to decide which branch of the busi-

ness it will relation. The court directed that a plan for the separation of the busi-ness be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At preesnt the servicing company and the manufacturing company have "exclusive right" contracts with railroad companies under which railroads must use Pullman service on Pullmanmade sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleep-ers only from the manufacturing unit

unit. Henceforth, the court ruled, the servicing company may ac-quire new cars only through open competition and not exclus-sively from its associate. The servicing company was directed to furnish other car manufactur-cew offs it decisions for any The decrete becomes effective

The decree becomes effective in 60 days unless the Pullman groups appeal to the Supreme Court.

Members of the special court were Judges John B. Biggs, Jr. Albert Maris and Herbert

BOSTON, MASS. NEWS BUREAU Circ. D. 4.986

## MAY9 - 1944 **Orders Pullman Divestment**

#### Must Give Up Either Car Manufacturing Or Sleeping Car **Operations Under Final Decree Of Three-Judge** Federal Court

Philadelphia (AP) A special three-judge federal court yesterday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940, Under the decree there may be no "interlocking directors"

among Pullman, Inc., top holding corporation, the Pullman Co.,

#### **Ruling May Be Appealed To Supreme Court**

Philadelphia - Statement issued by David A. Crawford, presideut of Pullman Inc., in connection with the decree in the autitrust suit in Philadelphia says in part: "The decree entered in the district court at Philadelphia is

not a consent decree and either party may as a matter of right take an appeal from its provisions to the Supreme Court of the United States. What action the Pullman group of companies will take cannot be stated until we have had an opportunity to make a thorough study and analysis of the effect of the provisions of the decree upon the conduct of our business.

"We can say, however, that under this decree, if finally sus-"We can say, however, that under this decree, it maily sus-tained, a separation between the Pillman Co., which operates the sleeping-ear business, and Pullman-Standard Car Manu-facturing Co., the associated car-building company, must be effected. One of these operations must be disposed of and the decree gives Pullman luc, the right to make the choice. Pullman Inc., through a subsidiary, may either operate sleeping cars or it may mapufacture them."

which furnishes "personal service" on cars, the Pullman Standard Manufacturing Co. or the Pullman Car & Manufacturing Corp. of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any order.

#### Given 90 Days To Decide

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At present the servicing company and the manufacturing company have "exclusive right" contracts with railroad companies under which the railroads must use Pullman service on Pullman-made sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only from the manufacturing unit.

Henceforth, the court ruled, the servicing company may

acquire new cars only through open competition and not exclusively from its associate. Servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires.

Decree becomes effective in 60 days unless Pullman groups appeal to the Supreme Court.

Members of the special court were Judges John B. Biggs, Jr., Albert Maris and Herbert F. Goodrich.

In the event that an appeal is taken to the Supreme Court by the Pullman group, the effective date of the decree is the day after the Supreme Court hands down its mandate.

WORCESTER. MASS. GAZETTE Cir. D. 84.513

MAY 8- 1944

# PULLMAN ORDERED TO SPLIT BUSINESS

## Federal Court Bules for Government in Anti-Trust Suit --- Sleeping Car Service or Manufacturing Is Choice

PHILADELPHIA, May 8 (AP)-A special three-judge Federal Court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of 'personal service' on sleeping cars.

> The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940,

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding among Puilman, inc., top holding corporation; the Puilman Co., which furnishes "personal serv-ice" on cars, the Puilman-Stan-dard Manufacturing Co., or the Puilman Car & Mfg. Corp of Alabama.

(The Pullman-Standard Mfg. Co. has a branch in Greendale where passenger cars have been manufactured.) The decree forbids officers or

directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the busi-

The court directed that a plan ress it will retain. The court directed that a plan for the separation of the busi-ness be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At preesnt the servicing com-pany and the manufacturing company have "exclusive right" contracts with railroad companies under which railroads must use Pullman scrvice on Pullmanmade sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleep-ers only from the manufacturing unit.

unit. Henceforth, the court ruled, the servicing company may ac-quire new cars only through open competition and not exclu-sively from its associate. The through sively from its associate. The servicing company was directed to furnish other car manufactur-crs with specifications for any new cars it desires. The decree becomes effective in 60 days unless the Pullman groups appeal to the Supreme

Court.

Members of the special court were Judges John B. Biggs, Jr. Albert Maris and Herbert Albert M Goodrich.

# MAY 9 - 1944 DRASTIC ORDER TO PULLMANS

BOSTON, MASS.

POST

Cir. D. 372.471 - 5. 263 280

### To Give Up Either Building or Servicing Cars

PHILADELPHIA, Pa., May 8 (AP)-The Pullman Companies, held to exer-cise ar-illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge Federal Court today to give up one

were orderen by a special inferejuide pederal loot todo to give up one built todo to give up one The group of four companies was given 0 days to devide which built built to the special todo to the special severnments four-year-old anilitust and will be directive in 0 devi-gives to the special todo todo group, said the companie would de-group, said the companie would the special special to device the order, the final device of the order, which he said involves a limitation of the funda-tion of the order, which he said is own money to perform his job."



## ILLEGAL MONOPOLY CHARGE SUSTAINED

Philadelphia, May 8 (AP)-The Pullman Companies, held to ex-ercise an illegal monopoly of building and servicing ratiway sleeping cars, were ordered by a special three-judge Federal Court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the Government's fouryear-old anti-trust sult will be effective in 60 days.

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

## Christian Science Monitor Cir. D. 119.791 MAY 1 0 1944 Court Decrees Split-Up Of **Pullman** Co.

BOSTON, MASS.

PHILADELPHIA (P)-A special three-judge Federal court here ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an antitrust suit filed by the Government against the Pullman interests on July 12, 1940.

no "interlocking directors" among no "interiocking directors" among Pullman, Inc., top holding corpo-ration; the Pullman Company, which furnishes "personal service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car & Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman comany other.

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At present, the servicing com-pany has "exclusive right" contracts with railroad companies under which railroads desiring pullman service must agree to use it over all their lines, the alternative being for the railroads to provide their own sleeping cars and service without access to the pool of

pullman sleeping cars. While the manufacturing unit had no exclusive right contract, it supplied the servicing unit with ceping cars.

servicing company may acquire new cars only through open competition and not exclusively from its associate. The servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires.

The decree becomes effective in 60 days unless the Pullman groups appeals to the Supreme Court.

Members of the special court were Judges John B. Biggs, Albert Maris and Herbert rich.



SPRINGFIELD, MASS.

### U. S. Court Orders Companies to Give Up Either Making or Servicing of Railroad

(Equipment

Philadelphia, May 8-(AP)-The Pullman companies, heid to exercise an illegal monopoly of building and an inegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge fed-eral court today to give up one business or the other.

The group of four companies was given 90 days to decide which busi-ness it will retain. Unless an ap-peal is taken, the final decree en-tered in the government's four-year-oid antifrust suit will be effective in 60 days.

Companies May Appeal

Companies May Appeal David A. Crawford, president of Puliman, inc. top company in the cide whether to appeal after study-ing the effect of third study of the randomental right of a contractor to make for himself the tools are wall of he puts his own money to perform his job."

The suit named Pullman, inc., the Pullman company, which provides "personal service" aboard sleeping

cara: the Pullman - Standard Car Manufacturing company. He Pull-man Car said Manufacturing Corpora-tion of Alabatha and Sl offleers and directors, including Alfred P. Sloan, Jr., Harold S. Vanderbilt and Rich-ard K. Mellon. Under the decree offleers and di-meters of any one Pullman com-

Under the decree officers and di-rectors of any one Pullhan com-pany are prohibited from holding se-curitice in any other, and from serv-ing on the boards of any other. The court - Circuit Judges John Biggs, Jr., Albert B. Maris and Her-bert F. Goodrich -directed that the companies file a plan for the separa-tion within a year. If the plan is

tion within a year. If the plan is a tion within a year. If the plan is not acceptable, the judges said, the court iself will make a proposal. Crawford said the court "held against us apparently because through the development of an set ficient, conomical and pract car huld of conducting the partice are the set of the partice in the set of the set of the partice in the set of conducting the sleeping car busi-ness, which inured to the 'public in-terest.' we became in a perfectly natural and inevitable way the only sleeping car company in the Umited

Stuffer, ... "Yet the Congress of the United States, moving in precisely the op-point direction to that taken in the taken in the public interest. Jesicalation mers-ing the only two remaining telegraph companies, leaving one in 'sole pos-session of the field."

BOSTON, MASS. POST Cir. D. 372.471 - 5. 263.289

## MAY 9 - 1944 DRASTIC ORDER **TO PULLMANS**

### To Give Up Either Building or Servicing Cars

PHILADELPHIA, Pa., May 8 (AP)-The Puilman Companies, held to exer-che an illegal monopoly of building and servicing railway sleeping cars.

were ordered by a special three-judge

were ordered by a special three-judge Federal court today to give up one husiness or the nther. The group of four companies was given be days to decide which husiness it will retain. Unless an appeal is taken, the final decree entered in the government's four-searchild antituist suit will be effective in 60 days David A. Crawford, presi-

suit will be effective in 60 days. David A. Crawford, president of Fullman, Inc. top company in the group, said the companies would de-cide whether to appeal after studying the effect of the order, which he said "involves a limitation of which he fait which is a distribution of the said state of the said of the tools into which he paits is own money to perform his job."



#### FREDERICK. MD. POST Cir. D. 5.270

## MAY 9 - 1917 ILLEGAL MONOPOLY CHARGE SUSTAINED

Philadelphia, May 8 P-The Pullman Companies, held to ex-ercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge Federal Court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the Government's fouryear-old anti-trust suit will be effective in 60 days

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order. which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

BOSTON, MASS. **Christian Science Monitor** Cir. D. 119.791

### MAY 1 0 1944

## **Court Decrees** Split-Up Of Pullman Co.

PHILADELPHIA (P)-A special three-judge Federal court here ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an antitrust suit filed by the Government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corpo-ration; the Pullman Company, which furnishes "personal service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car & Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges hige

At present, the servicing com-pany has "exclusive right" contracts with railroad companies under which railroads desiring pullman service must agree to use it over all their lines, the alternative being for the railroads to provide their own sleeping cars and service without access to the pool of pullman sleeping cars.

While the manufacturing unit had no exclusive right contract, it supplied the servicing unit with Sceping cars, Reneeforth, the court ruled, the

servicing company may acquire new cars only through open competition and not exclusively from its associate, The servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires,

The decree becomes effective in 60 days unless the Pullman groups appeals to the Supreme Court.

Members of the special court were Judges John B. Biggs, Jr., were Judges John B. Biggs, Jr., Albert Maris and Herbert Froodrich.

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#### SPRINGFIELD, MASS. REPUBLICAN Circ D 14 504

MAY 9 - 1944

## PULLMAN ACCUSED OF A 'MONOPOLY' IN SLEEPING CAR FIELD

### U. S. Court Orders Companies to Give Up Either Making or Servicing of Railroad Equipment

Buildenbria, May 8- (MP) - The Pulladelphia, May 8- (MP) - The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge fed-eral court today to give up one business or the other.

The group of four companies was given 90 days to decide which busi-nees it will retain. Unless an ap-real is taken, the final decree en-tered in the government's four-year-oid annitrust suit will be effective in 60 days.

#### Companies May Appeal

'Companies May Appeal David A. Crawford, president of Pullunan, inc. top company in the group, said the companies would de-cide whether to appeal after which not any sources a limitation, of the randamental right of a contracture to the puts his own money to perform his John.

The suit named Pullman, inc., Pullman company, which provid-

the Pullman - Standard Car cars: the Pullman-Standard Car Manufacturing rompany: the Pull-man Car and Manufacturing Corpora-tion of Alabama and St officers and directors, including Alfred P. Sloan, directors, including Alfred P. Sloan, Jr., Harold S. Vanderbilt and Rich-and K. Mellon.

Jr., Harond S. Vanderouli and Jörbinka and K. Molko, error offers: and distributed from holiding securities in any one rulinant comparative refront indices show the securities of any other. The court e-trivial indices show the securities of the securities of any other. The court e-trivial indices show that according to the securities of the security of the securities of the se

ficient, economical and practical way of conducting the sleeping car busi-ness which pured to the 'public in terest,' we because in a perfectly intural and inevitable way the only 'public insleeping car company in the United

Yet the Congress of the United "Yet the Congress of the United States, moving in precisely the op-posite direction to that taken in the court ophinon, recently enacted, in the bubble interest." Icristation merg-methods to committee the state of companies, leaving et h wale pos-jession of the field."



MAY 9 - 1944

## **Pullman Companies Ordered To Decide On One Business**

Concerns Held to Exercise Monopoly of Building and Servicing Sleeping Cars-Opinion Rendered by Court

Philadeiphia, May 8 (P) - The own money to perform his job." Puilman Companies, heid to exer- The suit named Puilman, In cise an illegal monopoly of building and servicing railway sieeping cars, were ordered by a special three-judge Federal Court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an apnesi is taken, the final decree entered in the government's fouryear-oid anti-trust suit will be effective in 60 days.

David A. Crawford, president David A. Crawlot, product and the contraction of th tation of the fundamental right of If the plan is not acceptable, the a contractor to make for himself judges said, the Court itself will the toois into which he puts his make a proposal.

The suit named Puliman, Inc., the Pullman Company, which provides "personai service" aboard sieeping cars; the Puliman-Standard Car Manufacturing Co., the Puliman Car and Manufacturing Corporation of Aiabama and 31 officers and directors including Alfred P. Sioan, Jr., Haroid S. Van-derbiit, and Richard K. Meilon.

Under the decree officers and directors of any one Puliman company are prohibited from holding securities in any other, and from serving on the boards of any other. The Court-Circuit Judges John Biggs, Jr., Aibert B. Maris and Herbert F. Goodrich-directed that the companies file a plan for the



THREE-JUDGE FEDERAL COURT DECREE ISSUED AGAINST PULLMAN GROUP

Philadeiphia, May 8 (U.P.)—The pull-man car monopoly enjoyed by Puliman. Inc., and its subsidiarles for the past 40 years, was ordered dissolved today in a "final decree" by a three-judge Federai Expeditionary Court.

Federal Expentionary Court. The decree, issued in the government's anti-trust suit filed against the Pull-man group July 12, 1940, ordered the companies to completely divorce its manufacturing and servicing businesses. The decree becomes effective in 60 days unless the Pullman group takes an appeal.

Cire. (D 31,091) This Clipping From ELIZABETH, N. J. JOURNAL

## MAY 9- 1944

#### **Court Orders Pullman** Monopoly Ended

Monopoly Ended PHILADELPHIA, May 6 (11)- Four Phila Cost Code today to dissolve their forty-year monopoly by giving up either the mixutcakuring or the serv-lang of milnoad cas. Covernments is unti-true at the July 12, 1940, left the choice up to Covernments, but directed this is de-case in the made within miny data. The monopoly of the choice up to philmen Company, Bullman-Sindard Cas Manufacturing Company and philmen Company, Bullman-Sindard Cas Manufacturing Company and Manufacturing



The Puilman group of companies was ordered to dissolve its 40year monopoly of servicing and year monopoly of servicing and manufacturing Puliman railroad cars in a "final decree" entered yesterday by a three-judge expedit-ing court in Philadelphia. The decree was issued in the government's antitrust suit filed

against the four Puliman compan-ies July 12, 1940.

The court ruled the Pullman group give up either the manu-facturing business or the railroad Puliman servicing business or the, railroad Puliman servicing business, but left the choice up to the group of com-panies. Interlocking directors are barred.

The court also directed the com-The court also diffected the com-pany to make its decision within 90 days and file the plan of separ-ation with the court. If the plan is not acceptable, the court will issue its own plan of divorcing the two businesses

The decree was directed against Puliman, Inc., Puliman Co., Puli-man-Standard Car Manufacturing Co., and Puliman Car and Manuco., and Puilman Car and Mahu-facturing Company of Alabama. The court's order opens the way for other manufacturers to enter the field in open competition for the manufacture of Pullman cars and for new companies to compete for the furnishing of service on

for the infinition of the second state of the sleepers. The decree, signed by Judges Maris, Biggs and Goodrich, ruled out the "exclusive right" contracts between the servicing company and the railroads.

nd the rallroads. The court heid the servicing ompany can acquire new cars nly through open competition, only and must furnish its specifications and give the work to the lowest re-sponsible bidder. Although the court held the 31 officers and directors of the four

companies were guilty with the corporations of violating sections one and two of the Sherman act, one and two of the Sherman act, It did not enter judgment against them. The court held the result sought by the justice department would be attained in the decree entered against the corporations.

HAGERSTOWN, MD. HERALD Cir. D. 4.412

## MAY 9 - 1944 **Pullman Companies Ordered To Decide On One Business**

#### Concerns Held to Exercise Monopoly of Building and Servicing Sleeping Cars-Opinion Rendered by Court 4

Philadelphia, May 8 (AP) - The jown money to perform his job." Pullman Companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge Federal Court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.

David A. Crawford, president of Puliman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself judges said, the Court itself will the tools into which he puts his make a proposal.

The suit named Pullman, Inc., the Pullman Company, which provides "personal service" aboard sleeping cars: the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing Corporation of Alabama and 31 officers and directors including Alfred P. Sioan, Jr., Harold S. Vanderbilt, and Richard K. Mellon.

Under the decree officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other. The Court-Circuit Judges John Biggs, Jr., Albert B. Maris and

Herbert F. Goodrich-directed that the companies file a plan for the separation within a year. If the plan is not acceptable, the

MAY 9, 1944 RECORD

THREE-JUDGE FEDERAL COURT DECREE ISSUED AGAINST PULLMAN GROUP

Philadelphia, May 8 (U.R)-The pullman car monopoly enjoyed by Pullman, Inc., and its subsidiaries for the past 40 years, was ordered dissolved today in a "final decree" by a three-judge Federal Expeditionary Court.

The decree, issued in the government's anti-trust suit filed against the Pull-man group July 12, 1940, ordered the companies to completely divorce its manufacturing and servicing businesses. The decree becomes effective in 60 days unless the Pullman group takes an appeal.

Circ. (D 31,091)

This Clipping From ELIZABETH. N. J. JOURNAL

### MAY 9- 194A

#### **Court Orders Pullman Monopoly Ended**

PHILADELPHIA, May 9 (UP)-Four PHILADELPHIA, May 9 (U.P.)—Four Puilman companies were under Fed-eral Court order today to dissolve their farty-year monopoly by giving up either the manufacturing or the servicing of railroad cars.

leing of railroad cars. The decree, saved yesterday in the Government's anti-trust suit filed July 12, 1940, left the choice up to the companies, but directed that a de-claimo he make within inlary days. The order, naming Pulman, and the content of the save of the same of algorithm, contend the way for here of the way for

pany of Alabama, opened the way for other firms to enter either the manu-facturing or the servicing fields. The ruling, which said the plan of

The ruling, which said the plan of separation must be filed with the court, pointed out that the company must give up all interests in the business it relinquishes. There must be no interlocking directors, it said.



The Pullman group of companies was ordered to dissolve its 40year monopoly of servicing and manufacturing Pullman railroad cars in a "finai decree" entered yesterday by a three-judge expedit-ing court in Philadelphia.

The decree was issued in the government's antitrust sult filed against the four Pullman compan-ies July 12, 1940.

The court ruled the Pullman group give up either the manufacturing business or the railroad Pullman servicing business, but left. the choice up to the group of companies. Interlocking directors are barred.

The court also directed the comany to make its decision within you days and file the plan of separ-ation with the court. If the plan is not acceptable, the court will issue its own plan of divorcing the two businesses.

two businesses. The decree was directed against Pullman, Inc., Pullman Co., Pull-man-Standard Car Manufacturing Co., and Pullman Car and Manu-Co., and Fullman car and Manu-facturing Company of Alabama. The court's order opens the way for other manufacturers to enter the field in open competition for the manufacture of Pullman cars and for new companies to compete for the furnishing of service on the sleepers.

The decree, signed by Judges Maris, Biggs and Goodrich, ruled out the "exclusive right" contracts between the servicing company and the railroads.

The court held the servicing company can acquire new cars only through open competition, and must furnish its specifications and give the work to the lowest re-sponsible bidder. Although the court held the 31 officers and directors of the four

companies were guilty with the corporations of violating sections one and two of the Sherman act, one and two of the Sherman act, it did not enter judgment against them. The court held the result sought by the justice department would be attained in the decree entered against the corporations. HAGERSTOWN, MD. HERALD Cir. D. 4612

## MAY 9 - 1944 **Pullman Companies Ordered To Decide On One Business**

### Concerns Held to Exercise Monopoly of Building and Servicing Sleeping Cars-Opinion Rendered by Court

Philadelphia, May 8 (AP) - The own money to perform his job." Pullman Companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge Federal Court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.

of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself judges said, the Court itself will the tools into which he puts his make a proposal.

The suit named Pullman, Inc., the Pullman Company, which provides "personal service" aboard sleeping cars; the Puilman-Standard Car Manufacturing Co., the Puliman Car and Manufacturing Corporation of Alabama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon.

Under the decree officers and directors of any one Pullman company are prohibited from holding securities in any other, and from David A. Crawford, president serving on the boards of any other. The Court-Circuit Judges John Biggs, Jr., Albert B. Maris and

Herbert F. Goodrich-directed that the companies file a plan for the separation within a year. If the plan is not acceptable, the

Circ. (D 31,091)

This Clipping From

### MAX 9, 1944 THREE-JUDGE FEDERAL COURT

DECREE ISSUED AGAINST PULLMAN GROUP

Philadelphia, May 8 (U.P.)-The pullman car monopoly enjoyed by Pullman, Inc., and its subsidiaries for the past 40 years, was ordered dissolved today in a "final decree" by a three-judge Federal Expeditionary Court.

The decree, issued in the government's anti-trust suit filed against the Pull-man group July 12, 1940, ordered the companies to completely divorce its manufacturing and servicing businesses. The decree becomes effective in 60 days unless the Pullman group takes an appeal.

ELIZABETH. N. J. JOURNAL

### MAY 9- 194A

#### **Court Orders Pullman Monopoly Ended**

PHILADELPHIA, May 9 (U.P)-Four Pullman companies were under Fed-eral Court order today to dissolve their forty-year monopoly by giving up either the manufacturing or the servicing of railroad cars.

The decree, issued yesterday in the Government's anti-trust suit filed July 12, 1940, left the choice up to the companies, but directed that a de-cision be made within ninety days.

The order, naming Pullman, Inc. Pullman Company, Pullman-Standard Car Manufacturing Company and Car Manufacturing Company and Puilman Car and Manufacturing Company of Alabama, opened the way for other firms to enter either the manu-

other nirms to enter enter the manu-facturing or the servicing fields. The ruling, which said the plan of separation must be filed with the court, pointed out that the company must give up all interests in the business it relinquishes. There must be no interlocking directors, it said.



Circ. (D 16,051)

The Pullman group of companies was ordered to dissolve its 40year monopoly of servicing and manufacturing Pullman railroad cars in a "finai decree" entered vesterday by a three-judge expedit-

ing court in Philadelphia. The decree was issued in the government's antitrust suit filed against the four Pullman companies July 12, 1940.

The court ruled the Pullman group give up either the manufacturing business or the railroad Pullman servicing business, but left the choice up to the group of companies. Interlocking directors are harred.

The court also directed the com-The court also directed the com-pany to make its decision within 90 days and file the plan of separ-ation with the court. If the plan is not acceptable, the court will issue its own plan of divorcing the two businesses.

The decrce was directed against Puliman, Inc., Puliman Co., Puli-man-Standard Car Manufacturing o., and Pullman Car and Manufacturing Company of Alabama. The court's order opens the way for other manufacturers to enter the field in open competition for the manufacture of Pullman cars and for new companies to compete for the furnishing of service on the sleepers.

The decree, signed by Judges Maris, Biggs and Goodrich, ruled out the "exclusive right" contracts servicing company hetween the and the railroads.

The court held the servicing company can acquire new cars only through open competition, and must furnish its specifications and give the work to the lowest responsible bidder.

sponsine bidder. Although the court held the 31 officers and directors of the four companies were guilty with the corporations of violating sections one and two of the Sherman act, it did not enter judgment against them. The court held the result sought by the justice department would be attained in the decree entered against the corporations.



Seattle (Wn) Times May 8, 1944

## Court Orders Split - Up In **Pullman Firm**

PHILADELPHIA MAR - AP-A special three-judge Federal Court today ordered the Puilman group to give up either its railroad-car manufacturing husiness or the furnishing of "personai service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Puilman interest on July 12, 1940.

Under the decree there may be "interiocking directors" among Puliman, Inc., top-holding corporation; the Puliman Company, which furnishes "personal service" on cars, the Puliman-Standard Manufacturing Company, or the Puilman Car & Manufacturing Corporation of Aiahama.

The decree forbids officers or directors of any one Puilman company from holding securities in any other

Puilman was given 90 days to decide which hranch of the business lt will retain.

The court directed that a pian for the separation of the husinesses be filed within a year. If the plan is not acceptable, the court Itself wili make a proposal.

The decree becomes effective in 60 days unless the Puilman groups appeals to the Supreme Court.

Members of the special court, were Judges John B. Biggs, Jr., Albert Maris and Herbert F. Goodrich,

Seattle (Wa) Journal of Commerce May 9, 1944

## **PULLMAN MONOPOLY** ORDERED DISSOLVED

PHILADELPHIA, May 8.-(UP) The Pullman car monopoly en-joyed by Pullman, Inc., and its sub-sidiaries for the past 10 years, was ordered dissoived today in a "final decree" hy a three-judge federal court.

The decree, issued in the government's antl-trust suit filed against the Pullman group July 12, 1940, ordered the companies to completely divorce manufacturing and servicing businesses. The de-cree becomes effective in 60 days. unless the Pullman group makes an appeal. Principal provisions of the de-

cree are

That Puilman give up either the car manufacturing business or the raiiroad Puilman servicing busi-ness; the decision on which busiless is to be retained must be nade within 90 days; the company nust give up all interests in the ne it relinguishes; there must be o interiocking directors; the com-any must file a plan for the sepaation within one year; if the plan f separation is not acceptable, the ourt will issue its own plans.

Seattle (Wn) Post-Intelligencer May 9, 1944

**Pullman Units** ose in Court

PHILADELPHIA, May 8 .- (AP) -A special three-judge federal court today ordered the Puilman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

At present the servicing com pany and the manufacturing com-pany have "exclusive right" contracts with raliroad companies un-der which railroads must use Puilice on Puliman-made man serv sieepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only from the manufacturing unit.

Henceforth, the court ruled, the servicing company may acquire new cars only through open competition and not exclusively from its associate. The servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires.

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MAY 9 - 1944

## Court Order Dissolves Pullman Car Monopoly

ATLANTIC CITY. N. J. WORLD Cir. D., 8,538

a "final decree" entered to any """ in three-idge expediting court. Itaken to the U.S. Supreme court. The decree was issued in the "The court also directed the com-goverment's anti-trust suit field pay must make its decision within 90 days and the plan of separation and the court. It give ies July 12, 1940. It ordered the must be filed with the court. If the companies to divorce its manufac- plan is not acceptable, the co turing and servicing businesses. The court ruled that the Puilman the two businesses.

PHILADELPHIA, May 8 (UP)-- group give up either the manufac-The Puilman group of companies turing business or the railroad Puilwas ordered to dissolve its 40-year man servicing business, but left the monopoly of servicing and manue - choice up to the group of compannon-opoly or servicing and main- choice up to the group of compan-facturing Pullman railroad cars in is. The decree becomes effective a "final decree" entered today by within 60 days unless an appeal is a three-judge expediting court.

will issue its own plan of divor 112

Circ. (D 604.497) (S 986.093)

This Clipping From NEW YORK, N.Y. JOURNAL AMERICAN

## MAYIA Highlights Of Week's News

Allies open new offensive in Italy.

Russians recapture Sevastopol. Selective Service orders draft stay for all over 30 engaged in essential work.

James V. Forrestal named Secretary of the Navy to succeed the late Frank Knox.

Montgomery Ward & Co. returned to management after CIO victory in union poll.

Germans training civilians to use arms in repelling invasion. American capture of Hollandia

freed 707 Allied captives. \$10 million industrial plant planned for lower West Side of N. Y. City.

U. S. tanks lead advance in Burma.

DeValera, beaten on transportation bill, calls for general election.

Republicans win fight to cut debt ceiling by \$20 billions.

Senate votes year's extension of lend-lease by 63-1.

Puliman-Inc. ordered to give up either its car building or sleeping-car business

Securities and Exchange Commission files suit against Certainteed Products and officers on refusai to vote proxies at annual meeting.

## MAY 9 - 1944 Pullman Firms Ordered To **Break Up Alleged Monopoly**

### Three-Judge Court Directs Firm Engage In Either One of Their Two Businesses

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BUFFALO, N. Y.

COURIER-EXPRESS

Cir. D. 121.672 - 5. 202.510

The group of four companies was given 90 days to decide which business it will retain. Unless an ap-peal is taken, the finai decree en-tered in the government's fouryear-oid anti-trust suit will be effective in 60 days

David A. Crawford, president of Puliman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himseif the tools into which he puts his own money to perform his job." The suit named Puliman, Inc., the

Puliman Company, which provides "personal service" aboard sleeping cars; the Puliman-Standard Car Manufacturing Co., the Puilman Car & Manufacturing Corp. of Ala-

39

Philadelphia, May 8 (P) - The bama and 31 officers and directors Puliman companies, held to exer- including Aifred P. Sioan. Jr. Harincluding Aifred P. Sioan, Jr., Har-oid S. Vanderbilt and Richard K. Meijon.

Under the decree officers and directors of any one Puliman company are prohibited from holding securities in any other, and from serving on the boards of any other, The court-Circuit Judges John

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"Yet the Congress of the United States, moving in precisely the opposite direction to that taken in the court opinion, recently en-acted, in the 'public interest,' legislation merging the only two re-maining telegraph companies, leav-ing one in 'sole possession of the field.'

ATLANTIC CITY, N. J. WORLD Cir. D. 8,538

MAY 9 - 1944

## **Court Order Dissolves PullmanCarlionopoly**

PHILADELPHIA, May 8 (UP) group give up either the manufac-The Pullman group of companies turing business or the railroad Pullwas ordered to dissolve its 40-year man servicing business, but left the was ordered to dissolve its 40-year main servicing business, but jett une monopoly of servicing and manut- choice up to the group of compar-facturing Pullman raifroad cars in, ies. The decree becomes effective a "final decree" entered today by a three-judge expediting court.

The decree was issued in the The court also directed the com-government's anti-trust suit field pany must make its decision within against the four Pullman companies July 12, 1940. It ordered the must be filed with the court. If the companies to divorce its manufac- plan is not acceptable, the co turing and servicing businesses. The court ruled that the Pullman the two businesses.

90 days and the plan of separation will issue its own plan of divor

> BUFFALO, N. Y. COURIER-EXPRESS

Cir. D. 121,672 - S. 202,510

#### Circ. (D 604.497) (\$ 986.093)

This Clipping From NEW YORK, N.Y. JOURNAL AMERICAN

# Highlights Of Week's News

Allies open new offensive in Italy.

Russians recapture Sevastopol. Selective Service orders draft stay for all over 30 engaged in essential work.

James V. Forrestal named Secretary of the Navy to succeed the late Frank Knox.

Montgomery Ward & Co. returned to management after CIO victory in union poll.

Germans training civilians to use arms in repelling invasion. American capture of Holiandla

freed 707 Allied captives. \$10 miliion industrial plant

planned for lower West Side of N. Y. City.

U. S. tanks lead advance in Burma

DeValera, beaten on transportation bill, calls for general election.

Republicans win fight to cut debt ceiling by \$20 billions.

Senate votcs year's extension of lend-lease by 63-1.

Puliman Inc. ordered to give up either its car building or sleeping-car business

Securities and Exchange Commission files suit against Certainteed Products and officers on refusal to vote proxies at annual meeting.

## MAY 9 - 1944 Pullman Firms Ordered To **Break Up Alleged Monopoly**

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If the plan is not acceptable, the judges said, the court itself will make a proposal.

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NEWSDAY MAY 9 - 1944

HEMPSTEAD, N. Y.

# **Court Dissolves Pullman Monopoly**

Philadelphia, Pa., May 9 (U.P.)-Four Pullman companies were under Federal Court order today to dissolve their 40-year monopoly by giving up either the manufacturing or the servicing of railroad cars.

The decree, issued yesterday in the Government's anti-trust suit filed July 12, 1940, left the choice up to the companies, but directed that a decision be made within 90 days.

The order, naming Pullman, Inc., Pullman Co., Pullman-Standard Car Manufacturing Co., and Pullman Car and Manufacturing Co. of Alabama, opened the way for other firms to enter either the manufacturing or the servicing fields.

Circ. (D 123,658) (S 213,683) This Clipping From BUFFALO, N.Y.

COURIER-EXPRESS

MAY 9- 1944

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Cir. (D 219,907) This Clipping From BUFFALO, N. Y. NEWS

## MAY 8- 1944 COURT SETS LIMIT

FOR PULLMAN SPLIT

PHILADELPHIA, May 8. (P) .- A special three-judge Federal Court today ordered the Pullman interests to give up either the railroad car manufacturing business or the furnishing of "personal service" on sleeping cars. The court issued a final decree in an anti-trust suit filed by the Government July 12, 1940

Under the decree there may be "interlocking directors" among no Pullman, Inc., top holding corpora-tion; the Pullman Company, which furnishes "personal service" on cars; the Pullman-Standard Manufacturing Company, or the Pull-man Car & Manufacturing Corporation of Alabama. The decree for-blds officers or directors of any one Pullman company from hold-ing securities in any other.

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HEMPSTEAD, N. Y. NEWSDAY

MAY 9 - 1944

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Circ. (D 123,658) (S 213,683)

This Clipping From BUFFALO, N.Y. COURIER-EXPRESS

MAY 9- 1304

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## MAY 8- ....

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Puliman was given 90 days to decide which branch of the business it will retain.

#### MOREHEAD CITY, N. C. TWIN CITY TIMES Cir. D. 1,411

MAY 9 - 1944

### **Pullman Firms Ordered** To Separate By Court

Philadelphia, May 8 .--- (AP)---The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

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DEMOCRAT-CHRONICLE

FOUR PULLMAN

Split Ordered in

Car Building,

Servicing

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FIRMS TIEUP

1944

MAY 3

RULING VOIDS

Circ. (D 19.477)

This Clipping From UTICA. N.Y. PRESS

## MAY 3- .944 Court Tells Pullman Group **To Separate Its Businesses**

Philadelphia -(P)- A special three-judge Federal Court vesterday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

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in an anti-trust suit filed by the from the manufacturing unit. in an anti-trust suit filed by the from the instructuring unit. government against Pullman inter-eats on July 12, 1940. Under the decree there may be and not exclusively from its asso-

no "interiocking directors" among ciate. The servicing company was no "interiocking directors" among ciate. The servicing company was Puliman Inc., top holding corpora-directed to furnish other car manu-facturers with specifications for any new cars it desires. The decree becomes effective in cars, the Pullman Standard Manu- 60 days unless the Pullman groups facturing Co., or the Puliman Car appeals to the Supreme Court. and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to lecide which branch of the business it will retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the Judges said.

At present the servicing company and the manufacturing com-pany have "exclusive right" contracts with railroad companies under which railroads must use Pullman service on Pullman-made sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only

fective in 60 days. David A. Crawford, president of Pullman Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said 'involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own the money to perform his job."

Names of Defendants

The suit named Puilman Inc., the Pullman Company, which provides "personal service" abeard elseping cars; the Pullman-Standard Car Manufacturing Company, the Pull, man Car & Manufacturing Corporation of Alabama and 31 officers and directors, including Aifred P. Sloan Jr., Harold S. Vanderbilt, and Richard K. Meilon.

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Cir. D. 4.374 RAIL UFFICIALS STUDY DECISION

REIDSVILLE, N. C.

REVIEW

Philadelphia, Pa., May 9-0.8-Officials of four <u>pulluan</u> companies are studying what action they will take on the federal court decree ordering them to give up either the manufacturers or the servicing of railroad cars.

The order, issued in the govern-ment's anti-trust suit, leaves it up to the companies to make the choice within 90 days.

David Crawford, Pullman president, points out that the ruling is not a consent decree and either party may make an appeal to the United States Supreme Court.

The order named Pullman, Inc. Pullman Company; Pullman-Standard Car Manufacturing Company; and Pullman Car and Manufacturing Company of Alabama. The court did not enter judgment

against the 31 officers and directors of the companies, although It did hold that they were guilty with corporations of violating sec tions of the Sherman Act.

41

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Philadelphia-(P)-The Pullman

FIRMS TIEUP

1944

MAY 3"

RULING VOIDS

Circ. (D 19.477)

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Cir. D. 4.374

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# MAY 9 - 1944 PULLMAN GETS COURT ORDERS TO QUIT WORK

MIDDLETOWN, OHIO

JOURNAL

Cir. D. 11,620 -- S. 11,576

PHILADELPHIA, May 9 (AP) -A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "p service" on sleeping cars. "personal

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation; the Pullman Co., which furnishes "personal serv-ice" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corp., of Alabama.

The decree forbids offices or directors of any one Pullman Company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At present the servicing company and the manufacturing company have "exclusive right" contracts with railroad companies under which railroads must use Pullman service on Pullmanmade sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only from the manufacturing unit.

Henceforth, the court ruled, the servicing company may acquire new cars only through open competition and not exclusively from its associate. The servicing company was directed to furnish other car manufacturers with specifications for any new cars it desircs.

The decree becomes effective in 60 days unless the Pullman groups appeal to the Supreme Court.



### Four Allied Companies Required To Halt Either Servicing, Building

PHILADELPHIA, Pa., May 8 .- (P)-The Pullman companies, held to exercise an illegal monopoly of building and servicing rallway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

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#### APPEAL UNDER STUDY

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limita-tion of the fundamental right of contractor to make for himself the tools into which he puts his own money to perform his job." The suit named Pullman, Inc.,

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MIDDLETOWN, OHIO JOURNAL Cir. D. 11,620 - S. 11,576



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COLUMBUS, OHIO OHIO STATE JOURNAL Cir. D. 58.875 MAY 9 - 1944

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David A. Crawford, president of Puilman, Inc., top company in the group, said the companies would decide whether to appcal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job.

The suit named Pullman, Inc., the Pullman Co., which provides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing Corporation of Alabama and 31 officers and directors, including Alfred P. Sloan jr., Harold S. Vanderbilt and Richard K. Mellon.

Under the decree officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other. SEPARATION PLAN ASKED

The court-Circuit Judges John Biggs, jr., Albert B. Maris and Her-bert F. Goodrich-directed that the companies file a plan for the separation within a year

If the plan is not acceptable,

CLEVELAND, O. PLAIN DEALER Circ. D. 227.657 - S. 391.062 MAY 9 - 1944

Monopoly Ruling

today to give up one business or S. Var the other.

#### the judges said, the court itself will make a proposal.

Crawford said the court "held against us apparently because through the development of an efficient, economical and practical way of conducting the sleeping car business, which inured to the 'publlc interest,' we became in a perfectly natural and inevitable way the only sleeping car company in the United States . . .

"Yet the Congress of the United Sates, moving in precisely the opposite direction to that taken in the court opinion, recently enacted, in the 'public in-terest,' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the field.' "

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final degree entered in the government's four-year-old antitrust suit will be effective in 60 days. David A. Crawford, president of

Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job.

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MAY 9 - 1944 .... **Court Orders** Pullman Firms the background of the court opinion. Split Activity showed-and the court in 15 find-ing of stated-handed down in April. 1943, so stated-that the Pullman Co. 3dd not at any time engage in

YOUNGSTOWN, OHIO Vindicator and Telegram Cir. D. 67,124 - S. 73,469

ed to Divorce Business from Car Builder

(By The Associated Press)

Philadelphia, May 9. - A special three-judge federal court Monday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be "interlocking directors" among no Pullman, Inc., top holding corpora-tion; the Pullman Co., which fur-nishes "personal service" on cars, the Pullman-Standard Manufactur-ing Co., or the Pullman Car and Manufacturing Corporation of Alahama

#### 90 Days to Decide

The decree forbids officers or directors of any one Pullman company from holding securities in any other

Pullman was given 90 days to decide which branch of the business it will retain. The court directed that a plan for the separation of the business be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At present, the servicing company has "exclusive right" contracts with railroad companies under which railroads desiring Pullman service must agree to use it over all their lines. Otherwise the railroads must provide their own sleeping cars and service without access to the pool of Pullman sleeping cars. While the manufacturing unit had no exclusive right contract, it supplied the servicing unit with sleeping Core

Opens Competition Henceforth, the court ruled, the servicing company may acquire new cars only through open competition and not exclusively from its associate. The servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires. The decree becomes effective in

60 days unless the Pullman groups

appeal to the supreme court. David A. Crawford, president of Pullman, Inc., in a statement, said: "We think this decree involves a limitation on the fundamental rights of a contractor to make for himself the tools into which he puts his own money to perform his job. . . .

"There is also involved here the whole broad question of when, in the language of the court opinion.

Service Company Instruct- predatory practices nor take any action to oppress or impede the business of any other sleeping car company.'

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## Pullman Firm **Division Ordered**

PHILADELPHIA, May 8 (AP)—The Pullman companies, held to exercise an illegal mo-nopoly of building and servicnopoly of building and servic-ing railway sleeping cars, were ordered by a special three-judge federal court Monday to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the gov-ernment's four-year-old anti-trust suit will be effective in

trust suit was 60 days. David A. Crawford, presi-dent of Pullman, Inc., top com-in the group, said the dent of Puilman, inc., top com-pany in the group, said the companies would decide wheth-er to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a con-tractor to make for himself thi tools into which he puts his own money to perform his job."

## PORTLAND, ORE JODRHAD Pullman Co. To Retrench Court Orders Firm **To Divide Branches**

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The decree becomes effective in 60 days, unless the Pullman groups appeal to the supreme court

Members of the special court were Judges John B. Biggs Jr., Albert Maris and Herbert F. Good-

### YOUNGSTOWN, OHIO Vindicator and Telegram Cir. D. 67.124 - 5. 73.469

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"There is also involved here the whole broad question of when, in the language of the court opinion,

Split Activity the court in 18 find-ing of fact handed down in April. 1943, so stated-that the Pullman Co. did not at any time engage in Service Company Instruct- predatory practices nor take any action to oppress or impede the business of any other sleeping car company."

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43

## PORTLAND, ORE JOURNAL Cir. 162 923 Sunday 164 619 Pullman Co. **To Retrench** Court Orders Firm To Divide Branches

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The decree becomes effective in 60 days, unless the Puliman groups appeal to the supreme

Court. Members of the special court were Judges John B. Biggs Jr., Albert Maris and Herbert F. Good-rich

**IRON AGE** Philadelphia, Pa.

### MAY 11 1944

## Divorce Enterprises, Pullman Ordered

#### Philadelphia

• • • In a decision by the District Court at Philadelphia, a three-judge Federal panel ordered Pullman, Inc., to separate "completely and perpetu-



Manufacturing Co. and the Pullman Car and Manufacturing Corp. of Alabama.

Principal provisions of the order, which becomes effective in 60 days unless an appeal is taken to the Supreme Court, are:

Abolish either the car-making business or the servicing business, giving a decision on which is to be retained within 90 days; relinquish all interests in whichever business is aboiished; dissolve all interlocking directorships, and file a "plan of separation" within a year.

#### WARNING ON CONTROL

If the pian is not acceptable, the court itself will make a proposal,

the judges said. In addition, the defendants were were ordered to submit a list of all persons, firms orcorporations which would acquire the business to be disposed of, and were warned that no attempt, direct or indirect, must be made to retain any sort of control over the divested business.

#### 40-YEAR MONOPOLY

The decree also nullified all "exclusive right" contracts between the Pullman manufacturing groups and the serving unit on the one hand and the servicing company and railroads on the other, under which Pullman has held a complete mo-nopoly for the past 40 years.

The court ruled that the servicing company can henceforth acquire new cars only through open compe-tition, and it must furnish specificaally" its railroad car building business from its sleeping car enterprise. The court upheld the government's contention that the Pullman comnanies and its 31 officers and directors violated the Sherman Anti-Trust Act through the operation of a complete monopoly, and gave Pullman, Inc., the top holding company, the choice of operating either its sleeping cars or its car manufacturing business but not both.

This decision follows a 21/2 year suit by the government and becomes effective within 60 days unless an appeal is carried to the United States Supreme Court, an action that is almost a certainty. At the same time, Pullman, Inc., was given 90 days to make a choice as to future corporate standing and file a plan for hearings and approval to effectuate the separation of its business. After such an approval by the court, Pullman, Inc., will be given one year in which to carry out the separation of its enterprises and to abide by the provisions of the order.

The court order directs that Pullman, Inc., divest itself of control over one of its two associated units, the Pullman Co., which operates the sleeping car business; or Pullman-Standard Car Mfg. Co., which, with its subsidiary, Pullman Car and Mfg. Corp. of Alabama, builds railroad cars.

tions and give the work to the low-est responsible bidder. David A. Crawford, president of Pullman, inc., who with some of the country's best-known industrialists and financiers had been named in the Government's suit, said in com-manting on the decree menting on the decree: "We think this decree involves a

"We think this decree involves a limitation on the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job." Mr. Crawword, the only one of the defendants, who included the list J. Pierpons Morgan, Alfred J. Richard K. Mellon, to testify at the rinal, which started Nov. 3, 1941— the suit was first filed July 12, 1940 -added: -added:

## BULLETIN Circ. D. 462.626 MAY 9 - 1944 PULLMAN DECISION AIDS COMPETITORS Opens Way for Budd Co., Bethlehem and Others

PHILADELPHIA, PA.

#### to Build Coaches

The sweeping decision of a spe-cial 3-judge Federal Court, order-ing Puilman, The, either to give up its shipmar buildes has describ-de today by David A. Crawford, president of the company, as taking wavy Puilman's "fundamental "The decision opens the way for "Ompetitive bidding on new carb by the Edward G. Budd Manufacturing Co, maker of lightweight Bethle-hem Steel Co, the American Car & Foundry Co, and the St. Louis Car

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#### Budd Builds New Type Cars

The Budd company, which pro-vided much of the testimony ad-duced by the Government in estab-lishing its charges of monopoly, ex-pects to build sleeping cars of a new and lighter type if the field is open ed to competitive bidding.

ed to competitive bldding. The Budd company built light-weight, coach-sleepers for the Su-per-chief trains of the Santa Fe Railroad and the Denver Zephyrs of the Burlington line which Pullman, Inc., refused to service. Budd company officials believe that this type of sleeping car already has proved to be more popular than the older design

Widespread use of sleeper-coaches will bring down the costs of traveling and minimize sleeping car service, since passengers will re-cline in adjustable chairs instead of retiring in compartments or rooms as at present, it was said.

90 Days to Make Choice

Under the formal opinion given ender the formal opinion given yesterday supplementing the court's decision of last January, which rep-resents the climax, of a two-and-a-half year suit, Pullman, Inc., has 90 days in which to make its choice, and one year thereafter wherein to formulate and put into effect its new plans,

Should Pullman fail to carry out the court order voluntarily, the judges indicated that the court is ready to take such steps as are ary. nec

Crawford did not say whether Puliman will appeal to the U. S Supreme Court.

IRON AGE Philadelphia, Pa.

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Mr. Grawword, the only one of the defendants, who included the late J. Pierpont Morgan, Alfred P. Sloan, Harold S. Vanderbilt and Richard K. Mellon, to testify at the trial, which started Nov. 3, 1941-the suit was first filed July 12, 1940 -added:

## MAY 9 - 1944 PULLMAN DECISION AIDS COMPETITORS

PHILADELPHIA, PA. BULLETIN

Circ. D. 462.626

### Opens Way for Budd Co.,

#### Bethlehem and Others

### to Build Coaches

The sweeping decision of a special 3-judge Federal Court, ordering Pullman, inc., either to give up its influent car building business or its sleeping car service, was described today by David A. Crawford, president of the company, as taking away Fullman's "fundamental rights."

The decision opens the way for competitive bidding on new cars by the Edward G. Budd Maurfacturing Co., maker of lightweight stainless: steel railroad coaches; the Bethlehem Steel Co., the American Car & Foundry Co., and the St. Louis Car Co.

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Should Pullman fail to carry out the court order voluntarily, the judges indicated that the court is ready to take such steps as are necessary.

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#### PHILADELPHIA, PA. INQUIRER Cir. D. 415,630 — S. 1,035,116

MAY 3 - 1944

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Crawford did not say whether Pullman will appeal to the U. S. Supreme Court.

# MAY 9 - 1944 **Pullman Firm** Held To Exercise Illegal Monopoly

YORK, PA. GAZETTE AND DAILY Cir. D. 22,281

Special federal court rules sleeping car combine must stop building or servicing. Company has 90 days to decide and a year in which to draw up feasible plan of separation.

Philadelphia, May 8 (P)-The Pullman companies, held to exer-cise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be ef-fective in 60 days.

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## MAY 9-Court Orders **Pullman Split**

TITUSVILLE, PA. HERALD

Cir. D. 5.079

PHILADELPHIA, May 8.-(P)-The Pullman Companies held to exercise set the example of building and servicing railway sleeping cars, were ordered by a special three-judge Fed-eral court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the Government's four-year-old anti-trust

suit will be effective in 60 days. David A. Crawford, president of Puliman. Inc., top company in the group, said the companies would decide whether to appeal after study-ing the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."



Directed to Give Up Car Production Or Sieeping Car Service

PHILADELPHIA, May 9 (P) — A special three-judge federal court vesterday ordered the Pullman group, to give up either its railroad car manufacturing business or the fur-nishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940. Under the decree there may be no

"interlocking directors" among Pullman, Inc., top holding corporation; man, inc., top holding corporation; the Pullman Company, which fur-nishes "personal service" on cars, the Pullman-Standard Manufactur-ing Co., or the Pullman Car and Manufacturing Corporation of Alahama.

The decree forbids officers or di-rectors of any one Pullman com-pany from holding securities in any other

Pullman was given 90 days to decide which branch of the business it wili retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposai, the judges said



WARREN, PA

MAY 8 - 1944

TIMES-MIRROR Cir. D. 8.026

BULLETINS

given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's four-year-old anti-trust suit will be ef-ective in 60 days.



Philadelphia, May 8 (AP) .-- The Pullman Companies held to exercise an illegal monopoly of building and servicing railway sleeping cars. were ordered by a special three-judge Federal Court today to give up one business or the other.

The group of four companies was given 90 days to decide which busiin the Government's four-year-old unti-trust suit will be effective in 30 days.

David A. Crawford, president Pullman, Inc., top company in th troup, said the companies would de roup, said the companies would de ide whether to appeal after study ing the effect of the order, which is said "involves a limitation of the fundamental right of a contracto to make for himself the tools in which he puts his own money perform his job."



YORK, PA. GAZETTE AND DAILY Cir. D. 22,281

# MAY 3 - 1944 Pullman Firm Held To Exercise Illegal Monopoly

Special federal court rules sleeping car combine must stop building or servicing. Company has 90 days to decide and a year in which to draw up feasible plan of separation.

Philadelphia, May 8 (P)-The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.

fective in 60 days. The suit named Pullman, Inc., the Pullman company, which pro-vides 'personal service' abard-and Car Manufacturing Co, the Pullman Car and Manufacturing corporation of Abbama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon,

Under the decree officers and directors of any one Pullman comdirectors of any one Puiman com-pany are prohibited from holding securities in any other, and from serving on the board of any other. The court—Circuit Judges John Biggs, Jr., Albert B. Maris and Herbert F. Goodrich—directed

Herbert F. Goodrich—directed that the companies file a plan for the separation within a year. If the plan is not acceptable, the judges said, the court itself will make a proposal. At present the servicing com-pany and the manufacturing com-pany and the manufacturing com-pany the "exclusive right" con-

pany have "exclusive right" con-tracts with railroad companies under which railroads must use Pullman service on Pullman-made sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under

the manufacturing company under which it purchases steepers only from the manufacturing unit. Henceforth, the court ruled, the servicing company may acquire new cars only through open com-petition and not exclusively from its associate. The servicing com-pany was directed to furnisedifica-car manufacturing with it desires.

car manufacturing with specifica-tions for any new cars it desires. David A. Crawford, president of Pullman, Inc., said the companies would decide whether to appeal after studying the effect of the

# Court Orders **Pullman Split**

TITUSVILLE, PA. HERALD

Cir. D. 5.079

PHILADELPHIA, May 8.-(.P)-The Pullman Companies held to exercise and the pulling poly of building and servicing rational servicing rates, were ordered by a special three-judge Federal court today to give up one business or the other,

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the Gov-ernment's four-year-old anti-trust suit will be effective in 60 days.

David A. Crawford, president Pullman. Inc., top company in the group, said the companies would decide whether to appeal after study-ing the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform



MAY 9 - 1944 HULLMAN ORDERED TO REDUCE ITS HOLDINGS

#### Directed to Give Up Car Production Or Sleeping Car Service

PHILADELPHIA, May 9 (P) - A special three-judge federal court vesterday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars. The court issued a final decree in

an anti-trust suit filed by the government against the Puliman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pull-man, Inc., top holding corporation; the Pullman Company, which fur-nishes "personal service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Corporation of Alahama.

The decree forbids officers or di-rectors of any one Pullman company from holding securities in any other

Puliman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said

### sleening ones. GREENSBURG, PA. Westmoreland Democrat Cir. W. 5.686 MAY 1 0 1944 PULLMAN ORDERED TO GIVE UP ONE BUSINESS Philadelphia, May 8. -The Pullman companies, held to exer-cise an inegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other. The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be efective in 60 days. HARRISBURG, PA.

WARREN, PA

TIMES-MIRROR Cir. D. 8,026

BULLETINS

(From Page One) Philadelphia, May  $\mathcal{B}_{-}(\mathcal{P}) - A$ special three-judge federal court today ordered the Pullman group to give up either its raifood car

manufacturing business or the furnishing of "personal service" on

MAY8 - 1944

### PATRIOT Cir. D. 15,844 MAY 9 - 1944 **RULE PULLMAN CAN'T**

**BUILD AND SERVICE** Philadelphia, May 8 (AP) .- The Pullman Companies, held to exerruman company, and to exer-cise an illegal monopoly of building and servicing rallway sleeping cars, were ordered by a special three-judge Federal Court today to give

up one business or the other. The group of four companies was

tiven 90 days to decide which busihess it will retain. Unless an appeal is taken, the final decree entered in the Government's four-year-old inti-trust suit will be effective in 0 days.

David A. Crawford, president of Pullman, Inc., top company in the troup, said the companies would deide whether to appeal after study ing the effect of the order, which he said "involves a limitation of the undamental right of a contractor to make for himself the tools into which he puts his own money perform his job."



ALLENTOWN, PA. CALL Cir. D. 46.754

## MAY 9 - 1944 Pullman, Decreed a Trust. **Must Separate Business**

HILDSEFFILA May 8 (P)—The P. Soan Jr., Harold T. Manager M. S. (P) and S.

## MAY 9 - 1944 **Pullman Company** Is Given 90 Davs **To Make Decision**

MEADVILLE, PA. Tribune-Republican Cir. D. 7,769

(From The Evening Republicari) PHILADELPHIA, May 8. (AP)-

A special three-judge federal court today ordered the Pullman federal group to give up either its rali-road car manufacturing business or the furnishings of "personal service" on sleeping cars.

The court issued a final decree in an antitrust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Puliman, Inc., top holding among Puliman, Inc., top holding corporation; the Puliman Com-pany, which furnishes "personal service" on cars, the Puliman-Standard Manufacturing Co., or the Puliman Car and Manufac-turing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman Company from holding securities in any other.

Puliman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the busi-nesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.



Philadelphia, May 8 .- (AP) The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in t o government's fouryear-oid anti-trust suit will be effective in 60 days.

David A. Crawford, president of Puiman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a iimitation of the fundamental right of a contractor to make for himseif the tools into which he puts his own money to perform his iob."



BUTLER, PA.

EAGLE Cir. D. 13.182

PHILADELPHIA, May 8-A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decree there may be "interlocking directors" among no Puilman, Inc., top holding corporation; the Pullman company, which furnishes "personal service" on cars, the Pullman-Standard Manufacturing company, or the Pullman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman com-pany from holding securities in any other.

Pullman was given 90 days to decide which branch of the busi-ness it will retain.

POTTSTOWN, PA. MERCURY Cir. D. 13,492 MAY 9 - 1944 U.S. Court Busts

## Pullman Sleeping Car Monopolies

PHILADELPHIA, May 8 (P)-The Fullman companies, held to exercise Pullman companies, held to exercise an<u>iting</u> immopoly set building and servicing railway sleeping cars, were ordered by a special three-judge Federai court today to sive up one business or the other. The group of four companies was given 90 days to decide which husiness it will retain.

The suit named Puliman, Inc., the Pullman company, which provides "personal service" aboard sleeping cars; the Puliman-Standard Car Manufacturing company, the Puil-man Car and Manufacturing corporation of Alabama and 31 officers and directors including Richard K. Mellon, State Selective Service director for Pennsylvania.

The court directed that the companies file a pian for the separation within a year.



ALLENTOWN, PA. CALL Cir. D. 46.754

## MAY 9 - 1944 Pullman, Decreed a Trust, Must Separate Business

And USE OF CONTRACTP. Storn of C. T. Fold S. A. Storn of C. T. Storn of C. St



Philadelphia, May S .-- (Ai') The Pullman compaules, held to exercise au illegal monopoly of building and servicing railway sieeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

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BUTLER, PA.

EAGLE

Cir, D, 13,182

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Pullman, Inc., top holding corporation; the Puliman company, which furnishes "personal service" 012 cars, the Pullman-Standard Manufacturing company, or the Puliman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any other

Pullman was given 90 days to decide which branch of the busi-ness it will retain. 46

MEADVILLE, PA. Tribune-Republican Cir. D. 7,769

## MAY 9 - 1944 **Pullman Company** Is Given 90 Days **To Make Decision**

(From The Evening Republican)

PHILADELPHIA. May 8. (AP)federal special three-judge court today ordered the Pullman group to give up either its rali-road car manufacturing business or the furnishings of "personai or the furnishings of "" service" on sleeping cars. The court issued a fi

final decree in an antitrust suit filed by the government against the Puilman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding among Puliman, Inc., top holding corporation; the Puliman Com-pany, which furnishes "personal service" on cars, the Puliman-Standard Manufacturing Co., or the Puliman Car and Manufacturing Corporation of Alabama.

The decree forbids officers or directors of any one Puilman Company from holding securities in any other.

Pullman was given 90 days to decide which branch of the buslness it will retain.

The court directed that a plan for the separation of the businesses he filed within a year. If the pian is not acceptable, the court itself will make a proposal. the judges said.

### POTTSTOWN, PA. MERCURY Cir. D. 13.492

## MAY 9 - 1944

## U.S. Court Busts Pullman Sleeping Car Monopolies

PHILADELPHIA, May 8 (P)-The Puliman companies, heid to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special threc-judge Federal court today to give up one business or the other. The group of four companies was given 90 days to decide which husiness it will retain.

The sult named Puilman, Inc., the Puilman company, which provides "personal service" aboard sleeping cars; the Puilman-Standard Car Manufacturing company, the Puil-man Car and Manufacturing corporation of Alabama and 31 officers and directors including Richard K. Meilon, Statc Selective Service director for Pennsylvania.

The court directed that the companies file a pian for the separation within a year.



The court issued a final decree terests on July 12, 1940.

Under the decree there may be "interiocking directors" among

PITTSBURGH, PA. PRESS Circ. D. 223.081 - 5. 349.267

# MAY 9 - 1944 **Court Orders Dissolution of Pullman Group**

### 'Final Decree' Ends Car Monopoly

PHILADELPHIA, May 9 (UP)-The Pullman car monopoly enjoyed by Pullman, Inc., and its subsidi-aries for the past 40 years, was ordered dissolved late yesterday in a "final decree" by a three-judge Federal expeditionary court.

The decree, issued in the government's anti-trust suit filed against the Pullman group July 12, 1940, ordered the companies to completely divorce its manufacturing and servicing businesses. The decree be-comes effective in 60 days unless the Pullman group takes an appea

Principal provisions of the decree

are: That Pullman give up either the car manufacturing business or the railroad pullman servicing business; the decision on which business is to be retained must be made with-in 90 days; the company must give up all interests in the one it re-linguishes; there must be no inter-locking directors: the company locking directors; the company must file a plan for the separation within one year; if the plan of separation is not acceptable, the court will issue its own plans.

Contracts Ruled Out

The decree, issued against Pull-man, Inc., Pullman Co., Pullman Standard Manufacturity Co., and Pullman Car and Manufacturing Co. of Alabama, clears the way for other manufacturers to enter the clear to manufacturers to enter the field in open competition for the manufacture of railroad sleeping cars and for the organization of new companies to compete with Pullman for furnishing service on

Pullman for Authenting outside of the sleepers. Signed by Judges John Biggs Jr., Albert B. Maris and Herbert F. Goodrich, the decree ruled out fur-ther 'exclusive right' contracts be-tween the servicing company and the manufacturing company.

the manufacturing company. - The court, however, permitted the continuance of these contracts wherein the Pullman Co. has al-ready started construction of new cars, or made definite commitments for the purchase of materials or tools, but ruled out any new "ex-clusive right" contracts.

#### Merger Banned

The decree provided that Pullman must furnish sleepers and services to railroads which do not have its sleeping service at "reasonable and non-discriminatory rates." It fur-ther provided that the Pullman Co.

will not be allowed to merge either its servicing or manufacturing busi ness with any competing firm without first obtaining court approval. The court ruled that the servicing

company can acquire new cars only through open competition and it must furnish specifications and give the work to the lowest responsible bidder bidder.

Aithough the court held that the companies' 31 officers and di-rectors were guilty with the correctors were guity with the cor-porations in violating sections I and 2 of the Sherman Act, it did not enter judgment against them. The court held the result sought by the Justice Department would be at-tained in the decree entered against the four corporations.



duct of our pulsiness," he asserted. Mr. Crawdrord's formai statement added that "under this decree, if finally sustained, a separation be-tween the Pullman Co., which oper-ates the sleeping car business, and Pullman-Standard Car Manufac-turing Co., the associated car-building company, must be effected. One of these operations must be dis-posed of and the decree gives Full-man, Inc., the right to make the choice.

## MAY 9 - 1944 Pullman **Must Give Up One Business**

ALTOONA, PA. TRIBUNE

Cir. D. 8.343

PHILADELPHIA, May s-Pmonopoly of exerciae building and servicing raisysy sleeping cars, were ordered by a three-judge federal court special today to give up one business of the other.

The group of four companies was given 90 days to decide which business it will retain. Unless 2.1 appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

The suit named Puilman, Inc., The Puilman company. which provides "personal service" aboard sieeping cars; the Puliman-Standard Car Manufacturing company. the Pullman Car and Manufacturing corporation of Alabama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Meilon.

Under the decree officers and directors of any one Puilman company are prohibited from holding securities in any other. and from serving on the boards of any other.

The court-Circuit Judges John Biggs, Jr., Albert B. Maris and Herbert F. Goodrich - directed that the companies file a plan for the separation within a year

PITTSBURGH, PA. PRESS Circ. D. 223.081 - S. 349 267

MAY 9 - 1944

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## 'Final Decree' Ends Car Monopoly

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The decree, issued in the government's anti-trust suit filed against the Pullman group July 12, 1940, ordered the companies to complete-ly divorce its manufacturing and servicing businesses. The decree be-comes\_effective in 60 days unless Pullman group takes an apthe peal.

Principal provisions of the decree

are: That Pullman give up either the car manufacturing business or the railroad pullman servicing business; the decision on which business is to be retained must be made within 90 days; the company must give up all interests in the one it re-linquishes; there must be no interinquisnes; there must be no inter-locking directors; the company must file a plan for the separation within one year; if the plan of separation is not acceptable, the court will issue its own plans.

#### **Contracts Ruled Out**

The decrec, issued against Pull-man, Inc., Puliman Co., Pullman-Standard Manufacturing Co., and Pullman Car and Manufacturing Co. of Alabama, clears the way for Co. of Airoama, clears the way jop other manufacturers to enter the field in open competition for the manufacture of railroad sleeping cars and for the organization of new companies to compete with Pullman for furnishing service on the sleepers.

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> PITTSBURGH, PA. PRESS Circ. D. 223,081 - 5. 349,267

### MAY 9 - 1944 **Crawford Uncertain Df** Company's Action

CHICAGO, May 9 (UP)-David A. Crawford, president of Pullman. Inc., is uncertain at this time what action the Pullman group will take following a court decree ordering separation of the company's rallroad car manufacturing and service

"The decree entered in the dis-trict court at Philadelphia today is not a consent decree and either party may . . take an appeal from its provisions to the Supreme Court of the United States," Mr.

Crawford said late yesterday. "What action the Puilman group of companies will take cannot be stated until we have an opportunity to make a thorough study and analysis of the effect of the provi-

sions of the decree upon the provi-duct of our business," he asserted. Mr. Crawford's formal statement added that 'under this decree, if finally sustained, a separation between the Pullman Co., which operates the sleeping car business, and Puilman-Standard Car Manufac-turing Co., the associated car-building company, must be effected. One of these operations must be disposed of and the decree gives Pullman, Inc., the right to make the choice.

## MAY 9 - 1944 Pullman Must Give Up **One Business**

ALTOONA, PA. TRIBUNE

Cir. D. 8.343

PHILADELPHIA, May 5 ..... Phi-The Pullman companies, held to monopoly of exercise building and servicing rairvay sleeping cars, were ordered by a special three-judge federal court today to give up one business of the other.

The group of four companies was given 90 days to decide which business it will retain. Unless : appeal is taken, the final decree entered in the government's fouryear-old anti-trust sult will be effective in 60 days.

David A. Crawford, president of Puliman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

The suit named Pullman, Inc., The Pullman company. which provides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing company. the Pullman Car and Manufacturing corporation of Alabama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon

Under the decree officers and directors of any one Pullman company are prohibited from holding scentitics in any other and from serving on the boards of any other.

The court-Circuit Judges John Biggs, Jr., Albert B, Maris and Herbert F. Goodrich directed that the companies file a plan for the separation within a year



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Philadelphia, May 8.- (P) -The Puliman companies, held to exercise an illegal monopoly on building and servicing railway sleep-ing cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.

#### **Undecided** on Appeal

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limit tion of the fundamental right deat tools into which he puts his own money to perform his job."

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REVIEW Cir D 5401 MAY 9 - 1944 PULLMAN ORDERED TO GIVE UP ONE BUSINESS

GREENSBURG. PA.

Philadelphia, May 8. (P)-The Pullman companies, held to exering and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other, The group of four companies was given 90 days to decide which busi-ness it will retain. Unless an ap-pest is taken, the final decree entered in the government's four-year-old anti-trust sult will be effective in 60 days.



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Puliman was given 90 days to decide which branch of the business it will retain. The court directed that a plan

for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.



### MAY 8 - 1944 **4** Pullman Companies **Ordered** To Separate

PHILADELPHIA, May 8 (AP) -A special three-judge federal court to give up either its reifroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman inter-ests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation; the Pullman company, which furnishes "personal service" on cars, the Pullman-Standard Manufacturing company, or the Pullman Car and Manufacturing corporation of Alabama.

## WASHINGTON, PA. OBSERVER MAY - 19.428 Order Issued In Pullman Case

PHILADELPHIA, May 8 .- (AP) -The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sieeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.



PHILADELPHIA, May 8 (AP)-A special three-judge federal court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" sleeping cars. on OIL CITY, PA. DERRICK Cir D 10 300



### SEC Tells Concern to Divorce Building and Servicing Interests

Philadeiphia, May 8 .--- (P) -The Puilman companies, held to exercise an illegal monopoly on build-Ing and servicing railway sleep-ing cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be effective in 60 days.

#### Undecided on Appeal

David A. Crawford, president of Pullman. Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a lingit tion of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

The suit named Pullman, Inc., the Pullman company, which pro-vides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing corporation of Alabama and 31 officers and directors including Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon.

Under the decree officers and directors of any one Puilman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Bigs Jr., Albert B. Maris and Herbert F. Goodrich-directed that the companies file a plan for separation within a year. the GREENSBURG, PA. REVIEW Cir. D. 5.401

## MAY 9 - 1944

### PULLMAN ORDERED TO GIVE UP ONE BUSINESS

Philadelphia, May 8, (P)-The Pullman companies, held to exering and servicing raliway sleeping cars, were ordered by a special three-indge federal court today to give up one business or the other, The group of four companies was given 90 days to decide which business it will retain, Unless an appeal is taken, the linal decree en-

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## PULLMAN HIT BY ANTI TRUST LAW

Philadelphia, May 8 .- A special three-judge Federal Court today ordered the Pullman group to give up either its railroad car manufacturing business or the furnish-ing of "personal service" on sleeping cars.

The court issued a final decree in an Anti-Trust suit filed by the

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Th decree forbids officers or di-rectors of any one Pullman com-many from holding securities in any other.

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#### WOONSOCKET, R. I. CALL AND REPORTER Cir. D. 17,329

### MAY 8 - 1944

#### **4** Pullman Companies **Ordered To Separate**

PHILADELPHIA. May 8 (P) -A special three-judge federal court today ordered the pullman group to give up either its rathroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940.

Under the decrce there may be "interlocking directors" among Pullman. Inc., top holding corpora-tion; the Pullman company, which "personal service" furnishes on cars, the Pullman-Standard Manufacturing company, or the Pullman Car and Manufacturing corporation of Alabama

## WASHINGTON, PA. OBSERVER MAYCir. D. 10.629 Order Issued In Pullman Case

PHILADELPHIA, May 8 .- (AP) -The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fourear-old anti-trust suit will be effective in 60 days.

NEWPORT, R. I.

NEWS

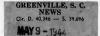
Cir. D. 6.580

MAY 8 - 1944 FULLMAN COURT ORDER

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Discouraging reports come from Havana about a probable drop in the size of the next year's Cuban sugar crop. Unless adequate supplies of fertilizers are made available as well as irrigation, the crop may drop off as much at 18 to 12 per



court.

court. The court also directed that the company must make its decision within 90 days and the lan of sep-aration must be filed with the court. If the plan is not acceptable, the court will issue its own plan of divorcing the two businesses.



#### Federal Court Gives Company Choice of Continuing One of

Businesses After Anti-Trust Suit.

#### By Associated Pre-

PHILADELPHIA, May 9. — A special three-judge Federal Court has ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed the Government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking direc-

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

KNOXVILLE, TENN. NEWS-SENTINEL

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The court directed that a plan



Philadeiphia, May 8.-0.07: Philadeiphia, May 8.-0.07: Pullman group of companies was ordered to dissolve its 40-year monopoly of servicing and manu-facturing Puliman rairoad cars in a "final decree" enterted today by a three-judge expediting court. The decree was issued in the soverndecree was issued in the govern-ment's anti-trust suit field against the four Puliman compaines July 12, 1940. It ordered the companies to divorce their manufacturing and to divorce their manufacturing and servicing businesses. The court ruied that the Puilman group give up either the manufacting business or the railroad Puilman servicing business, but left the choice up to the group of companies. The decree becomes effective within 60 days un-less an appeal is taken to the U. S. supreme court.

COLUMBIA, S. C. STATE Cir. D. 38,721 - S. 39,516 MAY 9 - 1944 **Court Decrees Pullman Firm** Must Divide

Philadelphia, May 8-(AP)-The Puliman companies, held to exercise an Illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other. The

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#### GREENVILLE, S. C. NEWS Cir. D. 40.346 - S. 39.696

### MAY9-1944

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GREENVILLE, S. C. NEWS Cir. D. 40,346 - S. 39,696 MAY 9 - 1944 **Pullman Business** Must Be Separated Manufacture And Serv-

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court. The court also directed that the company must make its decision within 90 days and the lan of sep-aration must be filed with the court. If the plan is not acceptable, the court will issue its own plan of divorcing the two businesses.

KNOXVILLE, TENN. NEWS-SENTINEL Circ. D. 56,570 - S. 60,202

### MAY 9 - 1944

## Pullman Must Halt Making Cars or Running Sleepers

### Federal Court Gives Company Choice of Continuing One of

#### Businesses After Anti-Trust Suit.

#### By Associated Press

PHILADELPHIA, May 9. — A special three-judge Federal Court has ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the Government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking direc-

tors" among Pullman, Inc. top holding corporation; the Pullman for the separation of the businotating corporation; the Pullman for the separation of the busi-co, which furnishes "personal accesses be filed within a year. If Standard Manufacturing Co., or the play, is not acceptable, the the Pullman Car and Manufactur- court itself will make a proposal, ing Corporation of Alabama. the judges said.

The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days todecide which branch of the business it will retain.

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#### CHARLESTON, S. C. NEWS AND COURIER Cir. D. 25,021 - S. 28,963

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CHATTANOOGA, TENN. TIMES Circ. D. 50.795 - S. 45.241

# MAY 1 0 1944 PULLMAN CONCERNS ORDERED TO SPLIT

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The suit named Pullman, Inc; the Pullman Company, which pro-vides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing Company, the Pullman Car and Manufacturing Corporation of Alabama and 31 officers and directors, including Alfred P. Sloan Jr., Harold S. Vanderbilt and Richard K. Mellon.

### Would Separate Boards

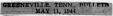
Under the decree, officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Biggs Jr., Albert B. Marls and Herbert F. Goodrich-directed that the companies file a plan for the separation within a year.

If the plan is not acceptable, the judges said, the court itself will make a proposal.

Crawford said the court "held against us apparently because through the development of an efficient. economical and practical way of conducting the sleeping can business, which inured to the "public interest," we became in a perfectly natural and inevitable way the only sleeping car company in the United States

"Yet the Congress of the United States, moving in precisely the opposite direction to that taken in a court opinion, recently enacted, in the 'public interest,' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the fleid.' "



PULLMAN MUST HALT MAKING CARS OR RUNNING SLEEPERS

PHILADELPHIA, May 10-A special three-judge Federal Court has ordered the Pullman group to give up either its railroad car manufacturing business of the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the Government against the Pullman interests on July 12, 1940.

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation; the Pullman Co., which furnishes "special service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing Co., of Alabama

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# **Pullman Group** To Separate

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The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the businessess be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

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# D 9127 -- 5 10 278 MAY 9 - 1944 **Government Wins** Suit Over Pullman Company In Court

JACKSON. TENN.

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### GREENEVILLE. TENN., BULLETN MAY 11, 1944

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### KNOXVILLE, TENN. JOURNAL Cir. D. 44,400 — 5. 38,189

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# cir. D. 9,127 - S. 10,278 MAY 9 - 1944 Government Wins Suit Over Pullman Company In Ceurt

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> MEMPHIS, TENN. COMMERCIAL APPEAL Cir. D. 120,244 — S. 148,234 MAY 9 - 1944

## Pullman Companies Told To Break Up Monopoly

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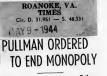
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Crawford said the court "held against us apparently because through the development of an efficient, economical and practical way of conducting the sleeping car business, which inured to the 'public interest,' we became in a public interest, we became in a perfectly natural and inevitable way the only sleeping car com-pany in the United States ... "Yet the Congress of the United

States, moving in precisely the opposite direction to that taken in the court opinion, recently enacted, in the 'public interest,' legislation merging the only two remaining telegraph companies, leaving 'sole possession of the in one fleld'."



# Court Says One or Other **Business Must Be Dropped**

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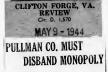
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"Yet the congress of the United States, moving in precisely the opposite direction to that taken in the court opinion, recently enacted, in the 'public Interest,' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the field



Philadelphia, May 9-In a final decree, a three-judge Federal expediting court yesterday ordered the Pullman interests to disband the monopoly it has held for 40 years in the manufacturing and servicing of sleeping cars.

The tribunal, composed of three U. S. Circuit Court of Appeal judges, directed the Pullman interests to give up entirely either the Pullman car manufacturing business or the servicing of the sleeping cars. The ruling becomes final within 60 days unless appealed to the Supreme Court.

Last April, the expediting court found the Pullman group was violating the Sherman anti-trust law and in a supplemental ruling last January unanimously ordered the separation.

The decree was directed against Pullman, Inc., the "top" corporation; the Pullman Co., which furnishes "personal service" on sleeping cars, and Pullman Car and Manufacturing Corp. of Alabama, which manufactures the cars.

If not appealed or if upheld by the Supreme Court, the ruling clears the way for other railroad car manufacturers, such as the Edward G. Budd Mfg. Co., Bethlehem Steel, American Car and Foundry Co., St. Louis Car Company and others, to enter the field in open competition with the Pullman companies.

# MAY 9 - 1944 PHILIMAN MUST **BRFAK MONOPOLY**

DANVILLE. VA. REGISTÉR

Cir. D. 11.343 - S. 11.893

Group of Four Companies Must Give Up One Business or Other

PHILADELPHIA, May 8 .--- (AP)----The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

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# REVIEW Cir. D. 1.570 MAY 9 - 1944 PULLMAN CO. MUST DISBAND MONOPOLY

CLIFTON FORGE, VA.

Philadelphia, May 9-In a final decree, a three-judge Federal expediting court yesterday ordered the Fullman interests to disband the monopoly it has held .... 40 years In the manufacturing and servicing of sleeping cars.

The tribunal, composed of three U. S. Circuit Court of Appeal judges, directed the Pullman Interests to give up entirely either the Pullman car manufacturing business or the servicing of the sleeping cars. The ruling becomes final within 60 days unless appealed to the Supreme Court.

Last April, the expediting court found the Pullman group was vlolating the Sherman anti-trust law and in a supplemental ruling last January unanimously ordered the separation.

The decree was directed against Pullman, Inc., the "top" corporation; the Pullman Co., which furnishes "personal service" on sleeping cars, and Pullman Car and Manufacturing Corp. of Alabama, which manufactures the cars.

If not appealed or if upheld by the Supreme Court, the ruling clears the way for other railroad car manufacturers, such as the Edward G. Budd Mfg. Co., Bethlehem Steel, American Car and Foundry Co., St. Louis Car Company and others, to enter the field in open competition with the Pullman companies.

NEWPORT NEWS, VA. PRESS Circ. D. 8,031 - 5, 12.589

MAY 3 - 1944 PULLMAN CO, MUST DIVORCE UNITS-Philadelphia, May 8 .- (AP)-The pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's four-year-old anti-trust suit will be effective in 60 days.



Co., Sleeper Service. Must Separate

PHILADELPHIA (A) - A special three-judge federal court yesterday ordered the Puliman group to give up either its railroad car manufac-turing business or the furnishing of 'personal service" on sleeping cars.

The court issued a final decree in an' anti-trust suit filed by the government against the Puliman intercsts on July 12, 1940. Under the decree there may be no

"interiocking directors" among Pull-man, Inc., top holding corporation; the Pullman company, which fur-nishes "personal scrvice" on cars, the Pullmen-Standard Manufacturing Co., or the Puliman Car and Manufacturing Corporation of Alabama,

The decree forbids officers or directors of any one Puliman company from holding securities in any other.

Puilman was given 90 days to de-cide which branch of the business it will retain

The court directed that a plan for the separation of the businesses be flied within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

> FREDERICKSBURG, VA. FREE LANCE-STAR Cir. D. 5,384 MAY 8 - 1944 Pullman Company Ordered By Court the Fullman-Standard Manufactur To Limit Business Manufacturing Corporation of Ala-

today ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.



# MAY 9 - 1944 Pullman Cos. Get Order From Court

PHILADELPHIA, May 8. (A) The Pullman companies, held to exercise an illegal monopoly of railway building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree en-tered in the government's fouryear-old anti-trust suit will be effective in 60 days.

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

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# MAY 9 - 1944 Pullman Setup Held Illegal Monopoly

HUNTINGTON, W.

HERALD-DISPATCH

Cir. D. 17,707

Three-Judge Federal Court Orders Separation of Companies Engaging In Building and Servicing Railway Sleeping Cars

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States ... "Yet the Congress of the United States, moving in precisely the op-posite direction to that taken in the court opinion, recently enacted in the 'public in tere st.' legislation merging the only two remaining telegraph companies, leaving one in 'sole possession of the field."

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### BRATTLEBORO, VT. REFORMER Cir. D. 4.248

# MAY 9 - 194A ORDERS END OF PULLMAN TRUST

Federal Court Rules Car Co., Sleeper Service, Must Separate

PHILADELPHIA  $(P) \rightarrow A$  special three-judge federal court yesterday ordered the Pullman group to give up cither its railroad car manufacturing business or the furnishing of 'personal service" on sleeping cars.

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The decree forbids officers or directors of any one Pullman company from holding securities in any other.

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for the separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

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BURLINGTON, VT. FREE PRESS Cir. D. 19.536

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HUNTINGTON, W. VA. HERALD-DISPATCH

Cir. D. 17,707

Three-Judge Federal Court Orders Separation of Companies Engaging In Building and Servicing Railway Sleeping Cars

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# MAY 9 - 1944 **Sleeping Car** ConcernLoses **Court** Action

LYNCHBURG, VA.

NEWS

Cir. D. 9,602 - S. 11,222

# Pullman Companies Declared Operating Illegal Monopoly

Philadelphia. May 8 (AP)-The Pullman Companies, held to exercise an illegal monopoly of building and servicing rallway sleeping cars, were ordered by a special three-judge Federal court today to give up one business or the other.

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### To Study Order

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a contractor to make for himself the tools into which he puts his own money to perform his job."

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Under the decree officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Biggs, Jr., Albert B. Maris and Herbert F. Goodrich-directed that the companies file a plan for the separation within a year.

If the plan is not acceptable, the judges said, the court itself will make a proposal.

Reason For Ruling Crawford said the court "held against us apparently because through the development of an efficient, economical and practical way of conducting the sleeping car business, which inured to the 'pub-lic interest,' we became in a perfectly natural and inevitable way the only sleeping car company in the United States. . .

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Circ. (D 90,527) (S 107,099) This Clipping From RICHMOND, VA. TIMES DISPATCH

# MAY 9 1944 Court Orders PullmanGroup **To Separate**

# **Special Tribunal Finds** Illegal Monopoly

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Circ. (D 90,527) (\$ 107,099)

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# Cir. D. 2,838 MAY 9 - 1944 COURT ORDERS SEPARATION OF PULLMAN COS.

BRISTOL, VA. NEWS-BULLETIN

PHILADELPHIA, May 9, (AP)-The Pullman companies, held to exercise an illegal monopoly of building and servicing railway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Un-less an appeal is taken, the final decree entered in the govern-ment's four-year-old anti-trust suit will be effective in 60 days. David A. Crawford, president

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Circ. (D 8,807)

This Clipping From ITHACA, N. Y. JOURNAL

# MAY 2 4 1944 Can't Build and Run 'Em Too

Complete separation of the operation of Pullman sleeping and parlor cars from the building of these cars has been ordered by a special threejudge federal court.

Pullman Inc., the holding company, is ordered to divest itself of one function or the other, under a decree issued in an anti-trust suit brought by the government.

Experience has shown and the court recognized that it is advantageous to the railroads, and "desirable in the public interest," to have a pool of sleeping cars upon which to draw.

So one company will continue to operate all or nearly all the sleeping cars. But any connection with carbuilding is to be ended.

Pullman contended that a service corporation should be allowed to construct its own equipment, if it desires to undertake the job. It claimed the first closed vestibule, the first electric lighted train, the first air-conditioned installation and many other passenger-service "firsts" for its car manufacturing branch.

The government claimed that separation of construction from operation would throw open the sleeping car field to other manufacturers and thereby spur improvement.

Actually, however, the decision appears based on legal theories and statutes which seek to limit the sphere of operation of service corporations. It is akin to the laws and ICC regulations under which the railroads are not allowed to enter the field of air transport. Whether there is any public benefit from such restrictions is open to question. Circ. (D 5,732)

This Clipping From OGDENSBURG, N. Y. JOURNAL

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CHICAGO JOURNAL OF COMMERCE JULY 8.

# Pullman Passes AppealDeadlineon Antitrust Decree

WASHINGTON, July 7 (Special). —Neither party to the government's antitrust suit against Puilman, Inc., has filed an appeai with the United States Supreme Court, an inquiry at the court cierk's office disclosed today.

Today was the deadline for taking an appeal from a decree entered by a three-judge federal court in Philadelphia last May ordering the Puliman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sieping cars.

on steeping cars. Although government spokesmen had expressed themselves as "not entirely satisfied" with all the provisions of the decree of the lower court, the taking of an appeal by the Puilman interests had been considered more likely than similar action by the government.

It was also learned that an officlai statement from Pullman probably would be forthcoming over the weekend, a spokesman having stated that "no public statement will be made until we communicate with our stockholders."

Failure to ask consideration of the case by the high court makes the decree of the Philadeiphia court effective as of today. Under its provisions, Pullman has 80 days, or until. October 7, to decide which business it will retain, and must file a plan for separation of the companies within a vear. If the plan is not acceptable, the court itself will make a propost. Under the court's ruling, the ser-

Under the court's ruling, the servicing company may acquire new cars only through open competition and not exclusively from its affiliate. At the same time, the servicing company was directed to furnish other car manufacturers with apecifications for any new cars it wished to acquire.

### CHICAGO SUN, JULY 8, 1944.

# Time Limit for Appeal By Pullman, Inc., Lapses

Pullman, Inc.'s time to appeal from a three-judge Federal Court decree requiring it to divest itself of either its manufacturing or alceping car business lapsed yeafield in the U.S. Supreme Court. In Washington it was said this means the company now must decide within 80 days which unit it will retain. A spokesman for the contempent on the situation within a few days. CHICAGO TRUBUNE

# JULY 8, 1944. EXPECT PULLMAN TRUST VERDICT MESSAGE TODAY Stockholders of Puilman, Inc., are

stocknowers of Pullman, Inc., are expected to be notified today of the company's decision whether to appeal a government anti-trust decree or accept a court order to separate the two principal divisions of the business.

Dusness. Today is the deadline for an appeal to the United States Supreme court from a May 8 decision of a Philadelphia court based on lingation pending four years. Unless an ion pending four years unless and days in which to present data of days in which to present data of days in which to present data of plan for separation of its sieeping car and railway equipment manufacturing businesses.

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CHICAGO JOURNAL OF COMMERCE JULY 8.

# Pullman Passes AppealDeadlineon Antitrust Decree

WASHINGTON, July 7 (Special). —Neither party to the government's antitrust suit against Pullman, Inc., has filed an appeal with the United States Supreme Court, an inquiry at the court clerk's office disclosed today.

Today was the deadline for taking an appeal from a decree entered by a three-judge federal court in Philadelphia last May ordering the Pullman group to give up either its railroad car manufacturing business or the furnkhing of "personal service" on sleeping cars.

Although government spokesmen had expressed themselves as "not entirely satisfied" with all the provisions of the decree of the lower court, the taking of an appeal by the Pullman interests had been considerea more likely than similar action by the government.

It was also learned that an official statement from Fullman probably would be forthcoming over the weekend, a spckesman having stated that 'no public statement will be made until we communicate with our stockholders."

Failure to ask consideration of the case by the high court makes the decree of the Philadelphia court efletive as of today. Under its provisions, Pullman has 80 days, or unness it will realm, and multe the a plan for separation of the comness the will realm, and multe the aplane within a vear. If the plan is not acceptable, the court itself will make a proposal.

Under the court's ruling, the servicing company may acquire new cars only through open competition and not exclusively from its affiliate. At the same time, the servicing company was directed to furnish other car manufacturers with specifications for any new cars it wished to acquire.

### CHICAGO SUN, JULY 8. 1944.

# Time Limit for Appeal By Pullman, Inc., Lapses

Pullman, Inc.'s time to appeal from a three-judge Federal Court decree requiring it to divest itself of either its manufacturing or alceping car business lapsed yeafiled in the U.S. Supreme Court. In Washington it was said this means the company now must decide within 80 days which unit it will retain. A spikesman for the a statement on the situation within a few days. CHICAGO TRUBUNE

# JULY 8, 1944. EXPECT PULLMAN TRUST VERDICT MESSAGE TODAY Stockholders of Pullman, Inc., are

successful of Pullman, Inc., are expected to be notlified today of the company's decision whether to appeal a government antitrust decree or accept a court order to separate the two principal divisions of the business.

Today is the deadline for an appeal to the United States Supreme court from a May 8 decision of a Philadelphia court based on hiligation pending four years. Unless an appeal is flick, the company has 90 days in which to present a detailed plan for separation of its sleeping car and railway equipment manufacturing businesses.

in the sourcest

Chicago Tribune July 19, 1944

# PULLMAN PLAN each other, it was recalled, with each other, it was recalled. TO SPLIT UNITS divide the fleet among the western, and southeastern roads for operation by the railroad organization by the railroad IS INCOMPLETE

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BY PHILIP HAMPSON. Wide speculation among railroad well by the Pullman company for executives as to the method Pull-many years and it's too bad that man, Inc., will use to divorce its this stuation had to come up," one sleeping car and car manufacturing the studies and executive said. "Any acoperations to comply with the order of the federal district court at Philadelphia was heightened yesterday when Pullman officials said they had made no progress on the preparation of a plan which must be submitted to the court by Oct. 5.

The sleeping car business is operated by Pullman company and the manufacturing by Pullman-Standard Car Manufacturing company, both subsidiarles of Pullman, Inc.

One possibility receiving wide discussion is the sale of the sleeping car business, perhaps to a company formed by the rallroads, with the parent company retaining the manufacturing business. Railroad officials already have considered the feasibility of such a plan, but have made no progress, lt was said.

### Termed Ideal Method.

Chicago railroad executives said the operation of the 7,766 cars in the Pullman fleet by the "neutral" Pullman company has been an ideal arrangement. The fleet has provided a natural car pool which in normal times transmitted cars to areas where they were needed-for exam-ple, to the Florida service in winter and to western and northern runs

In the summer. Establishment of a railroad com-pany to operate the fleet would create widespread difficulties because of the difference of interests among the railroads, it was said. Some arrangement would have to be worked out for apportioning the subscriptions to such a company among the class 1 railroads. The subscriptions could be based on average Pullman revenues of the various railroads, it was said.

One apprehension is that some of the larger roads would dominate the proposed company, one railroad executive said. At any rate, there probably would develop radical differences of opinion as to operating and car purchase policies, it was said. Frequently the western and eastern railroads have been at odds Division Among Areas.

Another possibility would be to divide the fleet among the western, tions serving these areas. Another suggestion is the sale of the Pullman cars to the individual railroads. However, both methods would compei the railroads to buy more cars to meet peak traffic demands, leav-ing cars idle in slack seasons.

It is known that some top rail-Method to Conform road executives have not been save lafted with the operation of the Railway Express agency, owned by the railroads, and they would prefer not to get involved in another joint railroad enterprise.

"The rallroads have been served tion which impairs the efficiency of the sleeping car pool as now handled by the Pullman company will cause the public to suffer. We would prefer to see the operation of the sleeping cars remain in neutral hands

## Assets About \$40 a Share.

The latest balance sheet of Pullman, Inc., showed the company's gross investment in its carrier propertles was \$261,415,589. After a de-preclation reserve of \$195,019,682 the net depreciated value was placed at \$66,395,907. The assets of the car operating division have been estimated at about \$40 per share on the common stock

The gross investment in manufacturing properties was placed at \$73,290,755, with the net depreci-ated value \$31,474,336.

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ARIZONA LABOR JE'L PHOENIX ARIZ. 6/1/44

# **Pullman Empire Is Smashed by Court**

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The company was given its choice of the business it elects to foilow, but it cannot operate both, the court decreed.

The order is a victory for the Department of Justice, which has contended that the company has been operating in violation of antitrust laws.

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The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's four-old anti-trust sult will be effective in 60 days.

David A. Crawford, president of Puliman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limitation of the fundamental right of a cor tractor to make for himself the tools into which he puts his own money to perform his job." The suit named Puliman, Inc., the

Pullman Company, which provides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing Corporation of Alabama and 31 officers and directors including Alfred P. Sloan .Jr. Harold S. Vanderbilt, and Richard K. Mellon,

Under the decree officers and directors of any one Pullman com-pany are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Biggs Jr., Albert B. Maris and Her-bert F. Goodrich-directed that the companies flie a plan for the separation within a year.

If the plan is not acceptable, the judges said, the court itself will make a proposal.

# RECONDO BEACH, CALIF. SO. BAY MAY 8, 1944 Duliman Co. Must Give Up One or Other of Lines

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The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12; 1940,

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation: the Puliman Company, which furnished "personal service" on cars the Puliman-Standard Manuferit, he Company, or the Pullman Car and Manufacturing Corporation of Alabama.

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S. F., CAL., COMMERCIAL NEWS Cir. 1.200

# MAY 10, 1944 Pullman Car Co. **Ordered** To Dissolve Sleeper Monopoly

THEADELPHIA May 9 (U.P)-The Pullman Car monopoly enjoyed by Pullman, Inc., and his subsidiarles for the past 40 years was ordered dissolved vesterday in a "final decree" by a three-judge Federal Court

The decree, issued in the Government's anti-trust sult filed against the Pullman group July 12. 1940, ordered the companies to completely divorce its manufacturing and servicing businesses. The decree hecomes effective in 60 day; unless the Pullman group make au appeal



companies. U. S. court rules sleeping car services must be separated within a year.

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The decree opens the way for competitive bidding on new cars needed by the railroads and also

permits entry into the field of other manufacturers.

Officials of the company challenged the ruling as a "limitation on the right of a contractor to make for himself the tools into which he puts his money to perform his job," and indicated it would be appealed to the Supreme Court

TUCSON, ARIZ, STAR

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Under the decree officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other. The court—Circuit Judges John

Biggs Jr., Albert B. Maris and Herbert F. Goodrich-directed that the companies file a plan for the separation within a year.

If the plan is not acceptable, the judges said, the court itself will make a proposal.

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# MAY 141.14

Pullman Group ordered to split four companies. U. S. court rules sleeping car services must be separated within a year.

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DAILY REPORTER

(HOLLYWOOD, CALIF.)

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Tom Clark, assistant attorney-general in charge of the New York equity suit, refused to comment on the Pullman decision yesterday, but admitted the similarity to the film case and said that he intended to give the court order very careful study before he gave any opinion. The Philadelphia court gave the Pullman company its choice as to which branch of its activities it would drop, but the order called for complete divorcement. This is substantially the order that the Government would ask in the equity suit if a new consent decree is not signed.

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The court directed that a plan for the separation of the business will be filed within a year. If the plan is not acceptable, the court it-self will make a proposal, the judges said.



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interests on July 12, 1940. Under the degree there may be no interlocking directors" among Pullman, Inc., top holding corporation; the Pullman company, which furnishes "personal service" on cars, the Pullman-Standard Manufacturing Co., or the Pullman Car and Manufacturing corporation of Alabama.

The degree forbids officers or directors of any one Pullman company from holding securities in any other. Pullman was given 90 days to

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**Pullman Company Suit** 

The three-judge federal court at Philadelphia, Pa, by which charges made in the suit brought by the antifrust div-sion of the Department of Justice against the Pullman Com-pany and its affiliates were upheld in a decision in April, 1943, that required the Pullman group to separate its car manufacturing business from its personal service branch, on May 8

turing business from its personal service branch, on May 8 handed down its decree to carry that decision into effect (see Traffic World, April 24, 1943, p. 881). Company: Pullman, Stanci 29, 1981, and 1982, and 1982 Company: Pullman, Car & Manufacturing Corporation of Alabama. The court, in its decision in April, 1943, had made several recommendations for carrying out its order requiring separation of the manufacturing and service branches of the husinose

The decree of May 8 directed Pullman, Inc., to file with it, "within ninety days after the effective date of this judg-ment," an election by that defendant to separate completely from its ownership and control either (a) all its interest in the From us ownership and control enter (a) an its interest in the sleeping car business and the properties used in connection therewith, or (b) all its interest in the manufacturing business and the properties used in connection therewith, and, also, to submit to the court for hearings and approval a plan to effec-tuate such separation. The decree included the following provision

Pulman, Inc., shall, within one year after the approval by the court of a plan of separation, carry out such plan and shall promptly thereafter make a report to this court, in reasonable detail, of the sense increase plant, the state of the sense increase plant and business, properties, stock, or other securities (as interests in the business, properties, stock, or other securities (or which it has disposid. In the event such plan has not been carried out within one year after its approval the court will take such steps relative to the disposition of the business specified in the election made by Puliman, Inc... as may be necessary to carry out the provisions of this judgment.

### Effective Date

The decree was made effective sixty days from the date of its entry (the latter date being May 8). It provided that the corporate defendants, in carrying out the separation of the sleeping car business from the manufacturing business, should not transfer the properties or issue or transfer any of the capital stock, bonds, etc., of the business disposed of to officers,

amptuli static, tuomf, with, the state as turnased of PD of the directors, agents or employes of the business retained of to "any one acting alone or in concert, agreement or understand-ing, with any other persons, firms, or corporations, to estab-lish a community of ownership or control of both businesses. Judgment, "as did the court in its decree, "and running until the separation of the sleeping car business from the manufac-turing business. Pullman shall acquire new sleeping cars for use in the business of furnishing, or furnishing and servicing, such acquisitions are outright purchases, leases, or in some other form; provided, however, that this section shall not apply in cases of the lease to Pullman (the Pullman Company) of railroad owned cars for use in supplying sleeping car service ments..., "out, one in cases of short-term rental arrange ments.

ments..." Orders, contracts, "arrangements or understandings" ex-isting between Pullman-Standard and any railroad for con-struction of the in the second of the second second and the relation of the second second second second second second ate skeeping cars were made subject to cancellation at the option of such railroad, within sixty days after the effective date of the decree, except as to cars on which construction had been begun and binding commitments made for materials, parts, or tools specifically for use in their construction, under terms of the decree.

### Sale of Sleeping Cars

The decree provided for purchase by railroads having con-tracts with the Pullman Company of used sleeping cars "on such terms as shall be set forth in the order of the court ap-proving the plan of separation." The Pullman Company may not sell any such car prior to court approval of the separation 1012 . Ind townal Oszette 1 ccscay, May 9, 1944

# **ORDER PULLMAN** MONOPOLY END

# Court Decrees One Of Businesses Dissolve

PHILADELPHIA, May 8 .- (P) The Pullman companies, accused of exercising an illegal monopoly of building and servicing rallway sleeping cars, were ordered by a special three-judge federal court today to give up one business or the other.

The group of four companies was given 90 days to decide which business it will retain. Unless an appeal is taken, the final decree entered in the government's fouryear-old anti-trust suit will be ef-fective in 60 days.

David A. Crawford, president of Pullman, Inc., top company in the group, said the companies would decide whether to appeal after studying the effect of the order, which he said "involves a limita-

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Under the decree officers and directors of any one Pullman com-pany are prohibited from holding securities in any other, and from serving on the boards of any other.

The court-Circuit Judges John Biggs, Jr., Albert 'B. Maris and Herbert F. Goodrich-directed that the companies file a plan for the separation within a year.

MAY 13, 1944

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The decree of May 8 directed Pullman, Inc., to file with it, "within ninety days after the effective date of this judgment," an election by that defendant to separate completely from its ownership and control either (a) all its interest in the sleeping car business and the properties used in connection therewith, or (b) all its interest in the manufacturing business and the properties used in connection therewith, and, also, to submit to the court for hearings and approval a plan to effectuate such separation. The decree included the following provision:

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### Sale of Sleeping Cars

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"For a period beginning with the effective date of this judgment," said the court in its decree, "and running until the separation of the sleeping car business from the manufaction in the basic soft furnishing and runnishing and scene for such acquisitions are outrishing, on runnishing and scene for such acquisitions are outright purchases, leases, or in some other form; provided, however, that this section shall not apply in cases of the lease to Pullman (the Pullman Company) of ran aud owned and, nor in cases of short-term cental arrangements..."

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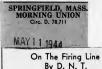
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The suit named Pullman. Inc., the Pullman company, which provides "personal service" aboard sceping cars: the Pullman-Standard Car Manufacturing Co., the Pullman Car and Manufacturing Corporation of Alabama and 30 officers and directors heluding Alfred P. Sloan, Jr., Harold S. Vanderbilt, and Richard K. Mellon.

Under the decree officers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The court—Circuit Judges John Biggs, Jr., Albert 'B. Maris and Herbert F. Goodrich—directed that the companies file a plan for the separation within a year.



# INFORMATION PLEASE

When I hear the verse with its bittersweet phrase I'm sure that it's Parker's, and say so, as well-It always turns out to be Edna Millay's, For they are twin casters of poesy's speil. It's "Dickens," sil right, but it's "Hardy" I yell, And the smug flush of pride that's incipient halts, To come back with a surge, to return with a iio tra

When I know the answer and Kieran defaults,

Gilbert and Suilivan-they're F. P. A.'s; Music is Taylor's, Levant's-who can tell? I make a stab, but not one to amaze Anyone knowing I'm not nonparell, Sweetly in ecstasy's province I dwell, As falls the one that my spirit exalts, Loudly I name the exact villanelle, When I know the answer and Kleran defaults

When They are right, I am free with my praise; (A grape that is sour may often rebei.) I toast their omniscience for several days, The wits which no others I know of excel-My bliss has no match; there is no parallel To the joy which my consciousness tickles and saits.

To the musical sound of me ringing the bell, When I know the answer and Kieran defaults, L'ENVOI

Prince, how I wish that their vast clienteie Were there when this sage, in his rectitude, vaults

Out of his chair like a learned gazeile-When I know the answer and Kleran defaults.

It is possible that the Allies may offer more lenient peace terms to all enemy nations except Germany and Japan, according to the London Daily Mirror. This news will not please the sticklers who think anything not unconditional is unconventional and unacceptable.

The Puliman people have been told by a Federai court to cut their husiness. Wouldn't it be nice to see them on their uppers for a while?

A New York liquor dealer has been sentenced to six months in prison for violating OPA ceiling prices. The transaction meant headaches on both sides of the counter for once.

Scientists have discovered a "mysterious bacteria-destroying substance" in the onion. So that maligned vegetable gets rid of unbidden guests as well as the bidden ones.

"President Sees Leaders from Capitol Hill"headline. What course were they playing, Mr. R."

Representative Robertson of Virginia has proposed that the flowering dogwood he chosen as the national flower of the United States. Why not be consistent in our symbolism? Why not the eagle flower?

Circ. (D 5,235)

This Clipping From BOSTON, MASS. NEWS BUREAU

MAY 9 1944

# **Orders Pullman Divestment**

Must Give Up Either Car Manufacturing Or Sleeping Car Operations Under Final Decree Of Three-Judge Federal Court

Philadelphia (AP)-A special three-judge federal court yesterday ordered the Pullman group to give up either its railroad car manufacturing business or the furnishing of "personal service" on sleeping cars.

The court issued a final decree in an anti-trust suit filed by the government against the Pullman interests on July 12, 1940,

Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation, the Pullman Co.,

# **Ruling May Be Appealed To Supreme Court**

Philadelphia-Statement issued by David A. Crawford, presi-

infancippum - Statement issued by David A. Grawford, presi-dent of Pullman Inc., in connection with the decrees in the anti-trust smit in Philadelphia says in part: "The decree entered in the district court at Philadelphia is not a consent decree and either party may as a matter of right take an appeal from its provisions to the Supreme Court of the United States. What action the Pullman group of companies will take cannot be stated until we have had an opportunity to make a thorough study and analysis of the effect of the provisions of the decree upon the conduct of our husiness.

"We can say, however, that under this decree, if finally sus-The can say, nowver, that unice thus docters, it finally asso-the sleeping-can business, and Pullman-Standard Car Mann-facturing Co., the associated car-building scapacity finus the effected. One of these operations must be disposed of and the effected. One of these operations must be disposed of and the function of the state operations are also be associated as the state of the state operation operation operations of the maximum operation operation operations of the state operation operation inco. Intrough a subsidiary, may either operate sleeping cases or it may manufacture them."

which furnishes "personal service" on cars, the Pullman Standard Manufacturing Co. or the Pullman Car & Manufacturing Corp. of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any order.

### Given 90 Days To Decide

Pullman was given 90 days to decide which branch of the business it will retain.

The court directed that a plan for separation of the businesses be filed within a year. If the plan is not acceptable, the court itself will make a proposal, the judges said.

At present the servicing company and the manufacturing company have "exclusive right" contracts with railroad com-panies under which the railroads must use Pullman service on Pullman-made sleepers.

The servicing company also has an "exclusive right" contract with the manufacturing company under which it purchases sleepers only from the manufacturing unit.

Henceforth, the court ruled, the servicing company may

acquire new cars only through open competition and not exclusively from its associate. Servicing company was directed to furnish other car manufacturers with specifications for any new cars it desires.

Decree becomes effective in 60 days unless Pullman groups appeal to the Supreme Court.

Members of the special court were Judges John B. Biggs, Jr., Albert Maris and Herbert F. Goodrich

In the event that an appeal is taken to the Supreme Court by the Pullman group, the effective date of the decree is the day after the Supreme Court hands down its mandate.



SPRINGFIELD, MASS. MORNING UNION Circ. D. 78.711

MAY 1 1 1944

# On The Firing Line By D. N. T.

## INFORMATION PLEASE

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Under the decree there may be no "interlocking directors" among Pullman, Inc., top holding corporation, the Pullman Co.,

### Ruling May Be Appealed To Supreme Court

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"We can say, however, that under this decree, if finally sus tained, a separation between the Pullman Co., which operates the sleeping-car husiness, and Pullman-Standard Car Manufacturing Co., the associated ear-building company, must be effected. One of these operations must be disposed of and the decree gives Pullman Inc. the right to make the choice. Pullman Inc., through a subsidiary, may either operate sleeping ears or it may manufacture them."

which furnishes "personal service" on cars, the Pullman Standard Manufacturing Co. or the Pullman Car & Manufacturing Corp. of Alabama.

The decree forbids officers or directors of any one Pullman company from holding securities in any order.

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CONCO DIA. KS. BLADT FURTRE .PR. 4, 1944 [http://www.M22

### SLEEPING-CAR MONOPOLIES

If you have trouble getting even an upper berth on a Pullmen, take a leaf from the big war contractors. They have hit on a new scheme to insure peacetime comfort on crowded trains.

Companies which have large war orders do not depend on 10-day advance reservations like the average traveller. They buy up whole blocks of Pullman berths on trains from New York, Chicago, Detroit, Los Angeles and other places one month in advance.

Then they turn around and bill the government for this expense, under their cost-plus contracts. All meals and liquid refreshments on trains (though not itemized as such) also are charged to the government. Anything goes under a cost-plus contract.

The war and navy departments also follow the war contractors' system. The railroads now have 8 standing order to reserve 50 per cent of their Pullman space one month in advance for service people travelling on war business. Between the war contractors and

service travellers, congressional in-vestigators who have to travel out of town on short notice frequently are up against it. Not long ago, Representative Ed Izac of Califorrepresentative for rate of Califor-nia tried to get 10-day advance res-ervations for a naval affairs sub-committee, but couldn't. When he complained to railroad officials, he was told: "Sorry, Congressman, but two big industrial concerns cleaned us out several weeks ago.

# AHA NEB WORLD-HEHAL MAY 9, 1944 1 ..... Pullman Action Still Undecided

Chicago, Ill. (INS)-No action yet has been decided by the Pullman interests, it was announced Monday at the result of the order of a three-judge federal court directing the company to divorce it-self from one or the other of its two main businesses. An appeal to the United States supreme court is possible.

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# SPRINGFIELD, MASS NEWS Cir. D. 46.568 MAY 9 - 1944

# CKER FLASHES Br Dow Jones News Tick

Department store Sales New York (ii) department store Assess for the week ended May 4 were 35 per cent above like period plans to bold meetings soon to con-last year. For four weeks ended last sider whole problem raised by court week lusg averand 5 per cent above direre that Pullman, inc., combre Ha a year ago.

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Circ. (D 13.295)

### This Clipping From LEWISTON, ME. JOURNAL

# MAY 8- 1946

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### MAY 8, 1944 17 MCCOOK, NEBR. GAZETTE

PHILADELPHIA, - The Pullman car monopoly enjoyed by Pullman, Inc., and its subsidiaries for the past 40 years, was ordered dis-solved today in a "final decree" by a three-judge federal court. The by a three-judge rederat court. The decree, issued in the government's antitrust suit filed against the Pullman group July 12, 1940, ord-ered the companies to completely divorce its manufacturing and services businesses.

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The court, charging an illegal monopoly, ordered the company to dispose of either its function of building or of operating sleeping carse

# SPRINGFIELD, MASS. NEWS Cir, D. 46,568

MAY 9 - 1944

# CKER FLASHES By Dow Jones News Tic

Department More Sales New York (it) (denaring store) sales for the week ended May 4 were 1a per cent above like period plans to hold meetings soon to com-last year. Por four weeks ended has jefer whole problem raised by court week line, averaged 5 per cent above [derre that Pullian, Inc. confine like a year ago.

### **Oll Output Increases**

operations to either sleeping car or manufacturing business.

Oll Output Increases inamilacturing bisiness. Inamilacturing bisiness.

Circ. (D 13,295)

This Clipping From LEWISTON, ME. JOURNAL

## Y. 9- 0044

# **Pullman Group Must Either Give Up Manufacturing Railroad Cars Or Furnishing Personal Service**

three-judge Federal court today or-ing Co., or the Fullman ear and dered the pullman group to give imanufacturing corporation of Ala-top either its railroad ear manufac-lama. turing business or the furnishing of "personal service" on slccping cars. The court issued a final decree in

an anti-trust suit filed by the gov-ernment against the Pullman in-terests on July 12, 1940.

Under the decree there may be o "interlocking directors" among Under the decree there may be The court directed that a plan for on "interlocking directors" among the separation of the businesses be Pullman, Inc. top holding corpora-in: the Pullman company. which not acceptable, the court itself will turnishes "personal service" on cars, imake a proposal, the judges said.

PHILADELPHIA -P-A special the Pullman-Standard Manufactur-The decree forbids officers or di-

rectors of any one Pullman company from holding securities in any other. Pullman was given 90 days to de-

cide which branch of the business it will retain. The court directed that a plan for

### MAY 8, 1944 17 LCCOOK, NEBR. GAZETT

PHILADELPHIA, - The Pullman car monopoly enjoyed by Pullman. Inc., and its subsidiaries for the past 40 years, was ordered dissolved today in a "final decree" by a three-judge federal court. The decree, issued in the government's antitrust suit filed against the Pullman group July 12, 1940, ord-ered the companies to completely divorce its manufacturing and services businesses.

## CAMDEN, N. J. COURIER



Court in Phila. to End 40-Year Tieup

The Pullman group of companies was ordered to dissolve its 40year monopoly of servicing and manufacturing Pullman railroad cars in a "final decree" entered yesterday by a three-judge expediting court in Philadelphia.

The decree was issued in the government's antitrust suit filed against the four Pullman companies July 12, 1940.

The court ruled the Pullman, group give up either the manufacturing business or the railroad Pullman servicing business, but left the choice up to the group of companies. Interlocking directors are barred.

The court also directed the company to make its decision within 90 days and file the plan of separation with the court. If the plan is not acceptable, the court will issue its own plan of divorcing the two businesses.

We numbresse: was directed against Pullman, Inc., Pullman Co., Pullman-Standard Cas. Manufacturing Co., and Pullman Car and Manufacturing Company of Alabama, for other manufacturers to enter the field in open competition for the manufacture of Pullman cars and for new companies to compete the sleepers.

The decree, signed by Judges Maris, Biggs and Goodrich, ruled out the "exclusive right" contracts between the servicing company and the railroads.

The court held the servicing company can acquire new cars only through open competition, and must furnish its specifications and give the work to the lowest responshle bidder.

Although the court held the 31 officers and directors of the four companies were guilty with the corporations of violating sections one and two of the Sherman act, it did not enler judgment against them. The court held the result sought by the justice department would be attained in the decree entered against the corporations.

### Circ. (D 289,015) (Sat. 246,640)

This Clipping From NEW YORK, N. Y. SUN

# MAY 9- 1944

PULLMAN.

Pullman closed 2¼ points higher yesterday. The stock be-gan to rise quickly shortly after 2 o'clock, and after it had gone up 2 points or so the news appeared that the court had ordered segregation of the properties. Wall Street had talked of the possibilities of that for the past few months, after the court had given a hint of what it would decree, so there really was nothing new in the matter. Wall Street new in the matter. is still in the dark as to whether the company will appeal the or-der, or just what action will be taken if an appeal is lost or none taken. The popular guess for some time has been that prob-ably no appeal would be made and that the company would elect to retain its manufacturing busithe railroads would form an agency similar to that of the Railway Express Agency, and take over operation of the sleep. ing and parlor car service. that were done, then Pullman shareholders would expect a dis-tribution of the proceeds from sale of the sleeping cars, or if operation were held and manufacturing sold, then doubtless shareholders would be given shares in the manufacturing comnany.

# MONOPOLY.

In discussing the Pullman decree the company pointed to some of the possibilities, but did not say what it likely would do. It took the occasion to point out the seeming inconsistency of antitrust action in the case, and especially in wartime when Pullman obviously is doing so much to facilitate the movement of. troops. The nub of the matter seems to be that other manufac-turers felt that the Pullman influence was strong in railroad circles, and so long as Pullman operated cars it would have first call on their manufacture. In other words, somebody wanted something. Otherwise it is hard to see how even the Department of Justice could work up a lather over monopoly just after the tele graph companies had been forced to merge, to form a complete monopoly, and while the telephone company and its manufac-turing unit, Western Electric, have pretty close to a monopoly.

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Circ. (D 768,376) (S 1,467,385)

This Clipping From NEW YORK, N. Y. MIRROR

# MAY 9 - 1944

One year will be allowed for the Pullman divorce. If the company's plan, to be filed within a year is not satisfactory, the Court itself will propose a plan. Meanwhile, company must decide within 90 days which division will be divorced.

The rally of Pullman stock on the court decision was evidence of general trading bullishness. Traders pointed to the shrunken turnover as discounting a reactionary turn.

Austin Nichols common and preferred carried over their rise of last week, the common making two more points to cross 13.

Austin Nichols is a distributor of liquor, along with wholesale groceries, not a distiller; probably is in a position of looking for inventory, rather than trying to dispose of it. The preferred is \$33.75 in arrears of dividends.

Southeastern railroads ask cancellation, not merely suspension, of freight rate increases granted two years ago.

### Circ. (D 28,318)

This Clipping From NEW YORK, N. Y. MORNING WALL ST. JOURNAL

# MAY 9 - 1944

# Business and Finance

RALROAD COMPANIES may take over the sleeping-car service of Pullman Co. and operate it along the lines of the Railway Express Agency. This possibility developed after a special three-judge Federal Court yesterday ordered the Pullman group to give up either its railroad-car manufacturing business or the operation of sleeping cars. Railroad officials will meet soon to consider the problems raised by the court decree. No definite program will be drawn up until the Pullman directors decide whether to carry the case to the U. S. Suverme Court.

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two businesses. The decree was directed against Pullman, Inc., Pullman Co., Pull-man-Standard Car Manufacturing Co., and Pullman Car and Manu-facturing Company of Alabama. The court's order opens the way for other manufacturers to enter the field in open competition for the manufacture of Pullman cars and for new companies to compete for the furnishing of service on the sleepers.

The decree, signed by Judges Maris, Biggs and Goodrich, ruled out the "exclusive right" contracts between the servicing company and the railroads.

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# MAY 3 - Tay

Pullman rallied briskly, some two points, in the last hour, on decrees of Philadelphia Federal Court ordering Pullman, Inc., to give up either one of its two main divisions-either sleeping car service or railroad equipment building, which is Pullman-Standard. Decree is the outcome of Federal anti-trust suit; under it interlocking directorates are prohibited; directors of one company not permitted to hold stock in the other. . . .

One year will be allowed for the Pullman divorce. If the company's plan, to be filed within a year is not satisfactory, the Court itself will propose a plan. Meanwhile, company must decide with-in 90 days which division will be divorced

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52

NEW YORK, N. Y ournal of Commer Cir. D. 20:375

# MAY 9 - 1944 Pullman Units Ordered to Separate

Business It Will Keep

PHILADELPHIA, May 8 (AP) .-The Pullman Cos., held to exercise an illegal monopoly of building and service must agree to use it over servicing railway sleeping cars, were ordered by a special three-judge Federal court today to give up one business or the other.

The group of four companies was sleeping cars. given ninety days to declde which business it will retain. Unless an appeal is taken the final decree entered in the Government's fourear-old anti-trust suit will be effective in sixty days.

group, said the companies would decide whether to +appeal after studying the effect of the order.

### Holdings Barred

The suit named Pullman, Inc., the Puilman Co., which provides "per-sonal service" aboard sleeping cars; the Puilman-Standard Car Manufacturing Co., the Pullman Car & Manufacturing Corporation of Alabama and thirty-one officers and directors, including Alfred P. Sloan, Jr., Harold S. Vanderbilt and Richard K. Mellon.

Under the decree officers and directors of any one Puilman Co. are prohibited from holding se-

Court Gives Group 90 the companies find a plan for the ance in its field by making for its esparation within a year. The trade, will hereafter be parmitted Days to Decide Which judge said, the court lister will kothan the scanners and course make a propo. .i.

At present, the servicing company has "enclusive right" contracts with railroad companies under which railroads desiring Pullman all their lines, the alternative being for the railroads to provide their own sieeping cars and service without access to the pool of Puilman

Supplies Servicing Unit

While the manufacturing unit supplied the servicing unit with pany.' The court recognized the sleeping cars.

petition and not exclusively from its associate. The servicing company was directed to furnish other In a statement to the press, Mr. Crawford said:

"We think this decree involves iimitation on the fundamental a right of a contractor to make for himself the tools into which he puts his own money to perform his inh

## Broad Question Seen

"Of course, the court's decision was based on its conclusion that States, moving in precisely the op-

the technical advances made possi-ble by such activities. \* \* \*

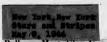
whole broad question of when, in the language of the court opinion, the sole possession of the field is or is not in the public interest

The evidence in our case showed -and the court in its finding of fact handed down in April, 1943, so stated-that the Pullman Co. 'did not at any time engage in predatory practices nor take any action to oppress or impede the business efficiency and economy of our op-David A. Crawford, president of Pullman, Inc. top company in the servicing company may acquire road must, as a pretically desi-group, said the companies would new cars only through open com-able service feature, have access to a pool of steeping cars such 85 Pullman operates because such a pool is economically advantageous car manufacturers with specifica- te the raliroads and 'is desirable tions for any new cars it desires. In the public interest.'

"It held against us apparently because through the development of sn efficient, economical and prac-tical way of conducting the sleeping car business, which insured to the 'public interest.' We became in a perfectly natural and inevitable way the only sleeping car com-pan; in the country. \* \* \* "Yet the Congress of the United

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Pullman Must Give Up. **Rail Trade or Car Output** 

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# RAILWAY AGE

New York City

### ABAV 1 9 10/4

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63

Pullman Case Decision Gives Little Man Chance

To the Editor: Your editorial "Free Enterprise Wins" should be interesting to all.

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NEW YORK, N. Y. Journal of Commerce Cir. D. 20.375

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Business It Will Keep

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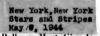
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PHILADELPHIA, PA. RECORD Cir. D. 227,482 - S. 384,958



# Pullman Must Give Up. **Rail Trade or Car Output**

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### RAILWAY AGE

New York City

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MAY 1 5 193 4 Pullman Case Decision

Gives Little Man Chance To the Editor:

Your editorial "Free Enterprise Wins" should be interesting to all.

I have watched all comments relating to Pullman, Inc., and the Federal Court decision, climaxing a two-and-a-half-year fight, which now rules that Pullman must give up one of its two chief subsidiaries.

With other car manufacturers, such as E. G. Budd Corporation, having free hand to compete in building sleepers and parlor cars, they will be able to expand and thus have greater efficiency and the public can enjoy greater com-fort. As long as we have monop-olies, we will have strangleholds and everyone should surely wel-come the dissolution of all combines of this nature.



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COMMERCIAL & FINANCIAL CHRONICLE

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Pullman, Inc .- Pullman Group Ordered to Split Four Companies-Court Rules Sleeping Car Services Must Be Separated Within a Year-

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Statement by President in connection with decree in anti-trust suit—David A. Crawford, President of Pullman, Inc., issued the following statement:

The decree entered in the District Court at Philadelphia is not a consent decree and either party may, as a maiter of right, take an What action the Pullman group of companies will take cannot be stated until we have had opportunity to make a thorough study and anglaysis of the effect of the provisions of the decree upon the conduct of our business

of our busines. We can say, however, that under this decree, if unity sustained, a business, and Pullian-Standard Car Manufacturing Co., the associated auri-building common, mush be directed. Orne of these operations mush the choice. Pullman, Standard Car Manufacturing Co., the associated asping cars or or in my manufacturing the subsidiary either operation strength of the subsidiary of the operation strength of the pulling common strength of the subsidiary either operation in longer he the marker of the cars-the tools used in rendering to its railroad customers the series in contract to deformer. Blood Pulling

man, Inc., elect to continue through its car manufacturing subsidiary the building of sleeping cars, it could not operate them. In addition to the direct impact of the decree upon the conduct of the sleeping car busines, there would seem to be involved in this judgment some other matters of considerable public concern and

Interest. Der stande, wie thich thild decrete hurdyre al. Initializie on the funda-Der stander. Der stander in der stander in der stander in der he puts hil own money to perform the job. Of course, the courts decision wie bared on its conclusion that Pulmane was an illean way, it would seem to follow that no service institution that has been able to grow link general acceptance in its field by marking for itself obtain the economies and score the technical advances made possible by mark activities.

such activities. The second development of a silencing car business serving the financial successful and the second service of the second sec

The relations in our case shows—nucl the court in he induces on fact handed down in April 1924; and and ...bat handlines of "did not at any time engage in precisory processes not cake any scripts processes of the start of the start of the start of the start heading that each railroad must, as a precisely desirable service at both the start of the start of the start of the start heading that each railroad must, as a precisely desirable service at both the start of the start of the start of the start heading that each railroad must, as a precisely desirable service at both the start of the rail precisity way of conducting the start of the start of the inversion way the only strenging car company in the county—1 "-1" "de 20 th the county—1 the start of the start of

possession of the resta." Yet the Congress of the United States, moving in precisely the opposite direction to that taken in the court opinion, recently enacted, in the "public interest," it is listiation mergins the only two remaining telegraph companies, leaving one in "sole possession of the field."

totegranh comparise, leving one in "sole possession" of the field." Testifying currently to the efficiently and economy of Pullmarky operations, it is periment to report that in 1940 the 7,221 cars of the traffic on American miranda, allowing they represented only about 205 in number, and 112 in normal passenger-starying espacify, of videa approximately 5,020,000,000 miles of miles are allowed and and the start of World Way I. At the start into, Pullmar stards was producing allow control of starts and the start of the start of the start start of the start for howing and other is an and the start start of the start of the

assemules and weighted to an an arguing the set of the





COMMERCIAL & FINANCIAL CHRONICLE NEW YORK, N.Y.

# MAY 15-21

### Pullman Co .- Record Traffic Volume-

Pulman Co.—Record Traffic Volume— Contribute Firstey uward movement, the volume of militar and contribute firstey uward movement, the volume of militar and contribute firstey of the second second second second second prominance relations of this comparison space related to prominance second second second second second second second the second second second second second second second militar and militars that Pulman traver volume in 1944 may 50 32 times as gards at the total of the interpresent years. However, the Pulman volume fragments for the past few years." George A. Kelly, Vol. Products, and ... In 1640, militar description, the reflected in the full second second second second second second second second in 1962, and in 1954 wars roundly 36 billion, the present last of The severest in the most mendeative states, the respect of the second second second second second second second second the second second second second second second second second the second second second second second second second second second the second second second second second second second second second the second secon

Diricity, and we are notice that the currently accounts for nearly Organized military bayed, he said, currently accounts for nearly one-half of the total Pullman traffic volume. -V. 159, p. 1801.

Pullman, Inc .- Pullman Group Ordered to Split Four Companies-Court Rules Sleeping Car Services Must Be Separated Within a Year-

The Pullman companies, held to exercise on literal monophy or buildurg and sevenem radius drepmin earls, were order of the a special three-judge Foderal Court at Philadelphia, May 8, to any 10 pt to any 10 pt to the court of the seven seven and the seven three-judge Foderal Court at Philadelphia, May 8, to any 10 pt to the court of the seven seven seven and the seven seven seven three seven in the Government's court-par-order anti-trust seven with well be seven in the Government's court-par-order anti-trust seven with the seven seven

beingen i win beim. These an open is taken, the final decret metered in the Gerrament's correctation of the state will be the state of the Gerrament's correctation of the state of the The state name of balance, the Pullane Co., which precides the state of the term of the state state of the state state of the state o

Statement by President in connection with decree in anti-trust suit-David A, Crawford, President of Pull-man, Inc., issued the following statement:

The decree entered in the burrier court at Philadelphia is not a The decree entered in the District Court at Philadelphia is not a appeal from its provisions to the U.S. Supreme Court, right, take an appeal from its provisions to the U.S. Supreme Court. What section the Pullman group of componences will take cannot be stated ontil we have had opportunity to make a thorough vide' and equalskase of the effect of the provisions of the decree upon the conduct

victual unit we have had opportunity to make a thrownsh visuter and mativas of the effect of the provisions of the deriver gunn the conduct. We can say, however, that under this deriver, if finally sustained, a synarium between The Pullman, Go, which operate the derivative provides and Pullman-Shadourd Gu Mandateruring Go, the associated is deposed on the deriver privile and an analysis of the start of exposed on the deriver privile pullman, then the track of the deriver of the start of the start of the start of the start of exposed on the deriver privile and sussaling viewer of the start of privide (classics). The start of privide (classics).

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such activities. Sub-finite the energy of the second seco

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assembles and weighten is for all-infraring pure, Naturally we shall continue doins or beet to carry out these im-portant and viial war-tume assignment, but if does here: imporportation to the railwards served, or to the military provument agreence—dis-ruption of organizations that are performing so effectively for the war effort.—V. 159, p. 1121; V. 168, p. 2195.





CINCINNATI, O. BREWERY WKR.

Anti-Trust Law Flouted

# U. S. COURT ORDERS PULLMAN TO BREAK UP SLEEPING CAR MONOPOLY

Philadelphia — (FP) — Pullman, Inc., the holding company whose subsidiaries manufacture and operate Pullman cars, must give up one business or the other, a special three-man Federal court ruled here.

The court found Pullman Inc., three subsidnarics and 31 officers and directors had "combined and compired" to violate the Sherman Ani-Trust Act by monopolizing the deeping car business. Within 90 days the corporation must tell the court how it plans to break up its monopoly. Within a year it must have it broken up.

Two Pullman companies manufacture sleeping cars. Another operates them, but won't let a railroad use its pool of cars at all unless it uses Pullman cars exclusively. The court gives Pullman Inc. the privilege of deciding which branch of the business it wants to stay in. The decree forbids any of the officers or directors of one company to serve similarly in another of the companies.

### Monopolists All

Among Pullman Inc. officers and directors are such well-known industrialists and financiers as Alfred P. Sloan, Jr., of General Motors Corp., Richard K. Mellon, of the aluminum monopoly Mellons, and Harold S. Vanderbilt, whose family has a minor monopoly on the nation's cash assets.

While the company is breaking its illegal

stranglehold on the sleeping car business, the subsidiary that operates the cars must take bids from other manufacturens when it burys new cars, the judges ordered. This portion of the ruling will give a look-in on the car building business to such companies as Edward G. Budd Mandacturing Co., American Car and Foundry, Bethlehem Steel Co. and St. Louis Car Co.

President David A. Crawford, of Pullman Inc., in announcing that the company hasn't decided whether to appeal to the U. S. Supreme Court, declared the court order violates "the fundamental right of a contractor to make for himself the tools into which ho puts his own money to perform his job."

### PATHFINDER

Washington, D. C.

MAY 22 1944

Attorneys for four affiliated Pullman companies this week studied the **redent** government's anti-trust suit decree ordering the firms to split and thus end an alleged monoply. The court ruled Pullman could build cars or it could service them but could not do both.

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CINCINNATI, O. BREWERY WKR. MAY 17, 1944

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## CHICAGO DAILY NEAS, SATURDAY, June 17, 1944.



BUSINESSMEN are asking, what into independent units. Following the decision last B-29 Bomber type of aircraft have on trade after the war? Here is a vehicle capable of moving 5,400 vehicle capable of moving 5,400 give up either its railroad car miles without refueling and manufacturing business or its which can travel at 300 miles an hour and carry X tons of freight or passengers.

I pass that one on to President Patterson of United Air Lines, who is an encyclopedia on air transport costs. My guess is he would say that the cost per mile of operating such a vehicle commercially would be so high that only a cargo of the small weight and space and value of diamonds would prove profitable. Yet who could buy and pay the freight, on a ton of diamonds?

For war purposes, of course, the answer is obvious-no cost is too high to get bombs over Japan. But even so it makes one shudder to think of a pos-sible future day when a fleet of B-29s, or of an even larger vehicie, could make a round trip from some point in Europe and bomb New York.

The size of the job of securing future peace in the world grows just about in proportion as the victors in each contest succeed in creating bigger and better engines of destruction. Can an associa-tion of peace-loving nations keep inventions such as the B-29 or duplications and improvements thereon, in hands that will use them to prevent wars?

### **Recalls Ship Scrapping**

After the last war by a solemn international agreement a supposedly large war - threatening posedly large war-threatening excess of naval ships was de-stroyed. No need to mention again the painfully disappointing outcome. Shall we this time try prevention at the source, i.e., the inventor? And how do you poinventor? lice a nation of inventors?

The machine age has indeed brought man benefits undreamed of before it came. But little yet does man know about controlling

Thoughts on Various Subjects: ness concerns to split themselves

month by a special three-judge federal court at Philadelphia that the Pullman organization must sleeping car service, I made inquiry along these lines of fellow passengers on several trips.

The first query was made of a woman traveling on a mod-ern streamlined train, The railroad in this instance furnishes its own parlor car sevice. The passenger said, "I thought there was something wrong with this train-in the washroom there were only paper towels and the floor was dirty—on Pullmans they have both kinds of toweis."

On an overnight "jump," sitting late in the Pullman smoker with a round traveling man I introduced the subject. Said he; "What the h- sense docs it make to split them up? The rates will be the same and the service poorer; and who gives a damn whether the Pullman people make the care, and operate them too, as long as they keep on doing a good job?"

Three Others Cite Service. Three others brought up the matter of rates and service thought that a splitup would not give the sleeping car patron any more for his money and would probably give him less in service. Arriving at the station one gentleman with whom I had been discussing the matter said: "Take a look. There is a good example a look. There is a good example of what I mean by service likely to be poorer, if the roads handle the Pullmans." The conductor of the train, bag in hand, was walking up the platform ahead of the disembarking passengers while one lone trainman was helping people off with their bags from two adjoining car platforms. But at each Pullman car door there

was the porter, as usual. Of course all conductors are not of before it came. But little yet does man know about controlling that way and of course the people is so that its inherent penalities pay more for Pullman service. Will not destroy him or nullily But isn't the object of anti-trust its benefits. WONDER if the people who service for less money? One start and-trust suits ever ask wouldn't thinks of the results of the public how it likes the effect most anti-trust actions these days of decisions which require bus-i- are takkn as criteria.

CUINAGO DATLY NEWS, AT" AY, June 17, 1944.



Thoughts on Various Subjects: ness concerns to split themselves USINESSMEN are asking, what

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### Chicago Tribune July 10, 1944

# PULLMAN, INC., DECIDES NOT TO ment harpered in their dealings with the Pullman group of compa-would be of real connect to thou-and of Pullman employs. The Philadelphia court ordered estands of Pullman employs. for Separation.

trust case ordering the company to divorce its car servicing and car manufacturing operations will not be appealed to the United States court, stockholders will be told tocourt, stockholders will be told to-day in a letter from D. A. Crawford, president. The 331 million dollar company indicated instead it is pre-

paring a separation plan. Crawford explained that the de-cision was taken in belief the Su-preme court might not give Pullman freedom of choice in retaining either the sleeping car or the car manufacturing husiness.

Has Ninety Days to Decide.

The court order was effective last Friday, Pullman, Inc., has 90 days from then to decide what it will do and to submit to the court for hearings and approval a separation plan. Its car servicing is operated by Pullman company and the manufacturing business by Pullman-Standard

ard Car Manufacturing company. "It should be recalled that the District court refused to accede to the demand of the department of justice that Pullman, Inc., be de-nied freedom of choice and the ex-ercise of its business judgment in ercise of its pusiness judgment in execting the separation ordered by the decree, of the two major lines of business conducted by the Pull-man group of companies," Crawford said. "This court recognized that Pullman should have the right to elect whether it would dispose of its manufacturing or its sleeping oar husiness

### Would Hamper Action.

"Stockholders will readily understand the difficulties which would be faced in seeking to protect their investments if the management were to be restricted in the manner were to be restricted in the manner desired by the government and de-prived of flexibility and choice of action in conducting negotiations for disposition of the property and other assets of one or the other of the going businesses now conducted by the subsidiaries."

Besides jeopardizing the Pullman pesition under the court decree, Crawford said an appeal would

create a long period of legal uncertainty, leaving railroad users of sleeping car service and railroad buyers of Pullman-Standard equip-

a three judge United States District Indicates It Plans to modify the opinion.

The government filed anti-trust actions against Pullman, Inc., under both the Sherman and Clayton acts. BY PHILIP HAMPSON. A Philadelphia federal court de-Chicago, the government forced it clsion in the Pullman, Inc. anti- to stand trial in Philadelphia. Chicago Journal of Commerce July 10, 1944

### **Pullman Heads** See Split-Up as **Best** Expedient

Owners, customers and employes of Pullman, Inc. wilj fare better by having the company proceed immediately with a program to separate its car operating and car manufacturing businesses rather than by further litigation in the antitrust suit of the government.

That conclusion of the management was given in a report to stockholders Saturday in explanation of the company's failure to appeal to the Supreme Court from the decree of the District Court at Philadelphia ordering disintegration of the organization.

#### Action Choice Protected

Choice of action as to which business is continued and which disy. ness is continued and which dia-posed of rests with the company under the district court order, D. A. Crawford, president of the company, pointed out to shareholders.

This freedom of choice would be put in "grave jeopardy" by appeal, because the Supreme Court might adopt the view of a dissenting judge in the district court opinion that no such freedom of choice should be permitted, he said.

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#### Uncertainty Avoided

Other considerations leading the company to forego appeal included the prolonged period of legal uncertainty for railroad users of its steeping-car service, for buyers of its freight and passenger equipment, and for the company's employes.

No statement was made to stock-No statement was made to stock-holders as to eny plan of separation. It was explained that this would first be worked out and submitted, together with a program for its ex-sculator, within the ninety days al-lowed the company by the court to perfect its arrangements.

### Chicaro Tribune July 10, 1944

# PULLMAN, INC., APPFAL ORDER The Philadelphia court ordered separation of the company's busi-

### for Separation.

BY PHILIP HAMPSON.

trust case ordering the company to divorce its car servicing and car manufacturing operations will not be appealed to the United States court, stockholders will be told today in a letter from D. A. Crawford, president. The 331 million dollar company indicated instead it is preparing a separation plan.

Crawford explained that the decision was taken in belief the Supreme court might not give Pullman freedom of choice in retaining either the sleeping car or the car manufacturing business.

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Besides jeopardizing the Pullman position under the court decree, Crawford said an appeal would

create a long period of legal uncertainty, leaving railroad users of sleeping car service and railroad buyers of Puliman-Standard equipment hampered in their dealings DECIDES NOT TO with the pullman group of compa-nies. He said the uncertainty also would be of real concern to thousands of Pullman employes.

The Philadelphia court ordered ness in a decision in April, 1943, and a three judge United States District Indicates It Plans court on Jan. 22 this year refused

The government filed anti-trust actions against Pullman, Inc., under both the Sherman and Clayton acts. Altho the company's home office is A Philadelphia federal court de Chicago, the government forced it cision in the Pullman, Inc., anti-

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### Action Choice Protected

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This freedom of choice would be put in "grave jeopardy" by appeal, because the Supreme Court might adopt the view of a dissenting judge in the district court opinion that no such freedom of choice should be permitted, he said.

"Stockholders will readily understand." he said. "the difficulties which would be faced in seeking to protect their investments if the management were to be restricted in the manner desired by the government and deprived of flexibility and choice of action in conducting negotiations for disposition of the property and other assets of the going business now conducted by the subsidiaries."

#### Uncertainty Avoided

Other considerations leading the company to forego appeal included the prolonged period of legal un-certainty for railroad users of its sleeping-car service, for buyers of its freight and passenger equipment, and for the company's employes.

No statement was made to stockholders as to any plan of separation. It was explained that this would first be worked out and submitted, together with a program for its ex-ecution, within the ninety days allowed the company by the court to perfect its arrangements.

Chicago Sun July 10, 1944

## Why Pullman Didn't Appeal

Court decree or-dering d i v e s tment of either its manufacturing business or sleeping car service would be "put in grave jeopardy" if an appeal were taken to the Su-preme Court, David Crawford, president of Bullman Inc in art

Pullman, Inc., in a statement to stockholders reports that boards of directors of the Pullman group of companies decided against such action.

At the same time, Crawford in-timated that plans for the divest-ment are yet to be shaped. He added that stockholders will be informed "in due course" of def-

The developments. The decree imposing the di-vestiture order became effective Friday with expiration of the period allowed the company to file an appeal to the United States Supreme Court. A three-judge Supreme Court. A three-judge Federal Court imposed the order lay 8 in a government suit which charged the company's 40-year monopoly on Pullman cars vio-lated the anti-trust laws.

#### 90 Days to Choose.

99 Days to Choses. employment status might prove to The company now has 90 days be a determint to all out effort in in which to file with the court the important wartime activities is exiction as to the business? It is which they are now engaged. The same time submit a plan for or importance in connection with separation. In his statement to plans for the future of the Pull-stockholders, Crawford points to man group of companies, your what he calls the 'inadvisable the decision not to appeal this for plans the 'inadvisable is companies, their stockholders and worket out and submitted to the employees." court

Other highlights of the state-

Other highlights of the state-ment are as follows: "In view of the opinion ex-presed in previous communica-tions to stockholders, an appeal District Court might appear to be the logical course. "It should be recalled here that the District Court refused to ac-cede to the demand of the De-partment of Justice that Pulman, and the exercise of its business judgment in effecting the separ-juon, ordered by the decree, of tion, ordered by the decree, of the two major lines of business conducted by the Pullman group of companieof companies.

#### Difficulties Stressed.

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agement were to be restricted in the manner desired by the gov-ernment and deprived of flexibilernment and deprived of TkeXDD-ity and choice of action in con-ducting negotiations for disposi-tion of the property and other assets of one or the other of the going businesses now conducted by the subsidiaries of this cor-

by the subsidiaries of this cor-portaion. "Your board of directors was obliged to recognize that if an appeal were taken the freedom of thoice permitted by the decree would be put in grave seopardy because the Supreme Court might because the Supreme Court might because the Supreme Court might be supplemented by the second court who was of the option that no such choice should be per-mitted. mitted.

mitted. "Moreover, the taking of an appeal would necessarily have prolonged a period of legal un-certainty and would have left the railroad users of sleeping car service and the railroad buyers, by Pullue beStachtof for supplies of both freight and passenger equipment, hampered in their dealings with the Pullman group of companies. of companies.

### 'Employees Affected.'

"Your board of directors is con-scious that the uncertainties which confront all other parties at in-terest in this forced disintegration terest in this forced disintegration of the Pullman organization are also of real concern to thousands of employees. Although it is un-thinkable that employees of long training and specialized experi-ence will not find continuation of their employment under any plan of separation, we feel that pro-longed delay, the result of appeal litigation, in clearing their future employment status might prove to

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Daily News Chicago, Il'.

## July 10, 1944 PULLMAN, INC., AGREES TO U.S. **DIVISION ORDER**

Pullman, Inc., "after careful consideration of the legal and eco-nomic factors' has decided against court he divestment order of the U.S. District Court of Philadel-phia, President David A. Craw-for announced today. We so-dered the separation of the com-pany's iwo major lines of busi-ness-manufacture of rall equip-ment and the remins to rall equip-man sequences of the court Pullman \$00 days within which to file with the court its election as file with the court its election as

to the business to be disposed of. Crawford, in a letter to stock-holders, asserted that directors "were obliged to recognize that if an appeal were taken the freedom of choice permitted by the decree would be put in grave jeopardy because the Supreme Court might prefer to adopt the view of the dissenting judge in the District Court who was of the opinion that no such freedom of choice should be permitted."

The government, in its suit, had sought to bar such freedom of choice and exercise of the business judgment of the cimpany's management, Crawford pointed out in his letter,

out in his setter. It was "to safeguard this essen-tial freedom" that directors held their decision not to appeal to be "in the best interests of the cor-poration, its stockholders and its employees" Crawford wrote.



Chicrgo Sun July 10, 1044

## Why Pullman **Didn't Appeal**

Asserting that the freedom of choice granted Pullman, Inc., in the Federal

Court decree ordering divest-ment of either its manufacturing business or sleeping car service would be "put in grave jeopardy" if an appeal were taken to the Su-preme Court, David Crawford,

president of David Crawford Pullman, Inc., in a statement to of companies decided against such action.

At the same time, Crawford intimated that plans for the divest-ment are yet to be shaped. He He added that stockholders will be informed "in due course" of definite developments.

The decree imposing the di-vestiture order became effective Friday with expiration of the pe-riod allowed the company to file an appeal to the United States Supreme Court. A three-judge Federal Court imposed the order May 8 in a government suit which charged the company's 40-year monopoly on Pullman cars violated the anti-trust laws,

### 90 Days to Choose.

The company now has 90 days in which to file with the court its election as to the business it will dispose of and must within the same time submit a plan for of importance in connection with cific statements about a separa-tion plan until such a plan is tion plan until such a plan is companies, their stockholders and worker out and submitted to the employees." court

Other highlights of the statement are as follows: "In view of the opinion ex-

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t snoud be recalled here that the District Court refused to ac-cede to the demand of the De-partment of Justice that Pullman, Inc., be denied freedom of choice and the exercise of its business judgment in effecting the separation, ordered by the decree, of the two major lines of business conducted by the Pullman group of companies.

#### Difficulties Stressed.

"Stockholders will readily understand the difficulties which would be faced in seeking to protect their investments if the man-

agement were to be restricted in the manner desired by the government and deprived of flexibilernment and deprived of Itexioni-ity and choice of action in con-ducting negotiations for disposi-tion of the property and other assets of one or the other of the going businesses now conducted by the subsidiaries of this cor-

poration. "Your board of directors was obliged to recognize that if an appeal were taken the freedom of choice permitted by the decree would be put in grave jeopardy because the Supreme Court might prefer to adopt the view of the dissenting judge in the District Court who was of the opinion that such choice should be perno mitted.

"Moreover, the taking of an appeal would necessarily have appear would necessarily have prolonged a period of legal un-certainty and would have left the railroad users of sleeping car service and the railroad buyers, who have been accustomed to look stockholders reports that boards who have been accustomed to look of directors of the Pullman group to Pullman-Standard for supplies of both freight and passenger equipment, hampered in their dealings with the Pullman group of companies.

### 'Employees Affected.

"Your board of directors is conscious that the uncertainties which confront all other parties at interest in this forced disintegration of the Pullman organization are also of real concern to thousands of employees. Although it is un-thinkable that employees of long training and specialized experi-ence will not find continuation of their employment under any plan of separation, we feel that pro-longed delay, the result of appeal litigation, in clearing their future employment status might prove to be a deterrent to all-out effort in the important wartime activities in which they are now engaged. "For these reasons and others

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68



Pullman, Inc., "after 'careful consideration of the legal and economic factors" has decided against appealing to the U.S. Supreme Court the divestment order of the U.S. District Court of Philadel-phia, President David A. Crawford announced today.

The decree of last May 8 ordered the separation of the company's two major lines of busi-ness-manufacture of rail equipment and the rental to railroads of sleeping car facilities-and gave Pullman 90 days within which to file with the court its election as

to the business to be disposed of. Crawford, in a letter to stock-holders, asserted that directors "were obliged to recognize that if an appeal were taken the freedom of choice permitted by the decree would be put in grave jeopardy would be put in grave jeoparug because the Supreme Court might prefer to adopt the view of the dissenting judge in the District Court who was of the opinion that no such freedom of choice should be permitted."

The government, in its suit, had sought to bar such freedom of choice and exercise of the business judgment of the cimpany's management, Crawford pointed out in his letter.

It was "to safeguard this essen-tial freedom" that directors held their decision not to appeal to be "in the best interests of the corporation, its stockholders and its employees" Crawford wrote.



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Wall St. Journal New York July 10, 1944

## Court Order That It Drop One Subsidiary

"Stockholders will appreciate the inad-Pullman Not to Appeal visability of our attempting at this time to make specific statements about a separation pian until such plan is worked out and submitted to the District Court." Mr. Crawford concluded. "The effective date of the District Court decree is July 7, 1944. Pullman Inc. has 90 days from that date to file its election and submit to the court for hearings

Company Fears It Might Lose Right and approval a plan to effectuate such sepa-To Elect Which Line of Busi-will then have a further period of one year ness to Give Up, Crawford Says in which to put the plan into effect."

From THE WALL STREET JOURNAL Chicago Bureau CHICAGO-The Pullman companies will not appeal the Government's anti-trust suit, according to D. A. Crawford, president of Pullman Inc., in a letter to stockholders

The board of directors reached this decision "after careful consideration of the legal and economic factors raised by the decree entered on May 8 in the U. S. District Court at Phila-delphia," Mr. Crawford said.

"In view of the opinion expressed in previous communications to stockholders, an appeal from the final judgment in the district court might appear to be the logical course However, it is the judgment of your directors that the interests of stockholders of Pullman Inc., will best be served by not taking an appeal," the letter continued.

What The Decision Called For

"It should be recalled that the District Court refused to accede to the demand of the Department of Justice that Puilman be denied freedom of choice and the exercise of its business judgment in effecting the separation, ordered by the decree, of the two major lines of business conducted by the Puliman group of companies. This court recognized that Pullman Inc., should have the right to elect whether it would dispose of its manufacturing business or its sleeping car business, and in its decree directed that Pullman Inc., should have 90 days after the effective date of the decree in which to file with the court its election as to the business to be disposed of and also to submit at the same time a plan to effectuate such separation.

"Your board of directors was obliged to recognize that If an appeal were taken the freedom of choice permitted by the decree would be put in grave jeopardy because the Supreme Court might prefer to adopt the view of the dissenting judge in the District Court who was of the opinion that no such freedom of choice should be permitted. To safeguard this essential freedom your directors believe that the decision not to appeal is for this reason in the best interests of the corporation, its stockholders and its employes. Employes Assured of Jobs

'Your board of directors are conscious that the uncertainties which confront all other parties at interest in this forced disintegration of the Pullman organization are also of real concern to thousands of employes. Although it is unthinkable that employes of long training and specialized experience will not find continued employment under any plan of separation, we feel that proionged delay, as the result of appeal litigation, in clearing their future employment status might prove to be a deterrent to the effort in the wartime activities in which they are now engaged.

Chicago American July 10, 1944

## Pullman Dra Breakup Plan

### BY HAL THOMPSON.

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Pullman Inc. is now at work on a plan designed to carry out the decree of the federal court calling for divestment of either its car manufacturing unit or its sleeping car affiliate, D. A. Crawford, president of the parent firm, stated today.

In a letter to stockholders, in which he informed them of the decision of the firm not to appeal the decision, President Crawford pointed out that the corporation has 90 days from July 7, the effective date of the court's decree, to file such a plan. Further, he stated, the firm has a year to put the plan into effect, following approval by the court. President Crawford stated he

considered it in the best interests of the Pullman companies, its stockholders and employes not to appeal the breakup ruling of the federal court. Among reasons which prompted Pullman Inc., to decide against further contesting the government's suit, Crawford declared "the taking of an appeal would necessarily have prolonged a period of legal uncertainty and would have left the railroad users of sleeping car service and the railroad buyers who have been accustomed to look to Pullman-Standard for supplies of both freight and passenger equipment hampered in their dealings with the Pullman group of companies. both in the immediate future and in the long-range planning of the railroads for the improved rail-way service which they intend to give to America."

In railroad circles, it was rein rairoad circles, it was re-ported, informal discussions have been going on among leading roads, looking to possible organ-ization of a firm to bid for the sleeping car firm should Pullman Inc., decide to rid itself of that subsidiary in accordance with the court decree.

Chicago Daily News July 15, 1944



TIME was when the supposed the 1940 population was 111/197 "deal" capital structure of a Michigan City has gained 7,000 099-year boa darge smouth of since 1820, having in 1946 a popu-amount of stock. You "hired" ly Michigan, in which are St. Jo-your capital at wholeasie and at seph and "Benton Harbor, gained low rates, indefinitely. There was nearly 60,000 between 1920 and no other transportation but the 1940, having a population of 161,-and many thought there never from 0,803 in 1920 to 101/266 in 1940. and many thought there never would be.

But how times change!

Last Tuesday a group of Chi-cago investment bankers offered for sale 249,556 shares of the com-mon stock of the Chicago South Shore and South Bend Railroad, which railroad, be it known, has no bonds and no preferred stock. Simple Balance Sheet.

Simple Balance Sheet. And the road's balance sheet, too, is one that a layman can un-derstand without the help of a certified public accountant. There are just four items on the asset side, road and equipment, invest-ments, current assets and prepaid observe. charges. The liability side of the statement is equally simple

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The road's investment in sub-sidiary terminal and bus facilities —the bus line serves Benton Harbor and St. Joseph from Michigan City-curiously is carried at \$3. The cash and U.S. bond account totals about \$1,750,000; and among current liabilities is an accrual for federal income taxes-all of which

current liabilities is an accrual for body of legal precedents that any-federal income taxes—all of which body can rely on it the courts con-is changed reading matter from Those interested in the proverse of the courts courts of earnings of this line will note State of Illinois gave the Pullman that in 1943 gross income was Co. a charter to make cans and more than twice the gross of 1958 to rent them to railroads. The ad also twice that of 1950. The interest of the commu-merce Commission has regulated Michigan by reading this "tenta-tile and prevention 20,253 in 1990 to 7,044 in 1960. Ess Chicago has curded by the power to equate co-grown from 19,088 to 54,637, and the total population of Lake chartes to make and has do grown from 19,088 to 54,637, and the total population of Lake State cour-grown from 19,088 to 54,637, and the total population of Lake cour-Gary has had considerable ad-ling the form grown for 10 the total by forcing a public servent to flat in 1940. Ess Chicago has curde by forcing a public servent to flat by forcing a public servent to flat had considerable ad-ling the course could by the power to curse could vertising, but how many are layer that against a population of curse could the struth, but en-aware that against a population of curse could by the opwer to serve served 16,802 in 1910 and 35,378 in 1920 be the order of the day.

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Phil S. Hanna EVERYBODY'S BUSINESS:

Pullman Case

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That restrictive principle applied to a plumber or a small-town dairyman who peddles his town dairyman who peddles his own milk would force the intro-duction of another middle man and raise prices. And haven't we been told these many years that it is "middleman's profils" that pena-lize both producer and consumer?

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Chicago Daily News July 15, 1944



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Last Tuesday a group of Chi-cago investment bankers offered for sale 249,556 shares of the com-mon stock of the Chicago South Shore and South Bend Railroad, which railroad, be it known, has no bonds and no preferred stock. Simple Balance Sheet,

And the road's balance sheet, too, is one that a layman can understand without the help of a certified public accountant. There are just four items on the asset side, road and equipment, invest-ments, current assets and prepaid charges. The liability side of the statement is equally simple.

Of course it is a small raiiroad as railroads go, but I found much interest in reading a railroad income and balance sheet that one could mentally balance off against the physical. There is approximately 70 miles of railroad in cluding equipment carried at approxi-mately \$13,000,000. That is about \$190,000 a mile. Modern vehicle highways cost that much these days, for the road alone.

The road's investment in sub-bor and St. Joseph from Michigan City—curiously is carried at \$3. The cash and U.S. bond account totals about \$1,750,000; and among current liabilities is an accrual for federal income taxes-all of which is changed reading matter from the "good old" days.

Those interested in the growth of carnings of this line will note that in 1943 gross income was more than twice the gross of 1938 and also twice that of 1939.

about the growth of the commumities along the south of Lake Michigan by reading this "tenta-tive and prelminary draft" put out by the bankers. Hammond has grown from 20,925 in 1910 to 70,184 in 1940; East Chicago has grown from 19,098 to 54,637, and the total population of Lake County (Ind.) grew from 82,864 in 1910 to 293,195 in 1940.

Gary has had considerable ad-vertising, but how many are aware that against a population of couragement of nostrums seems to 16,802 in 1910 and 55,378 in 1920 be the order of the day.

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Speaking of railroads, a nice little point comes up in connection with the recent decree of the three-judge Federal Court at Philadelpha holding that the Pullman Co. must give up either Its car manufacturing or its car operating business. It is tanta-mount to declaring that a man who furnishes a service to the public cannot make his own tools. There isn't much sense in talking about democracy and freedom with that doctrine in the ascendancy.

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More than 60 years ago the State of Illinois gave the Pullman Co. a charter to make cars and to rent them to railroads. The nd also twice that of 1939. company has operated under that And you learn something useful charter, and the Interstate Commerce Commission has regulated the company continuously ever since. Today the federal government cannot plead lack of power to regulate or to tax.

Hence any ill that cannot be cured by the power to regulate or tax certainly is not likely to be cured by forcing a public servant to give up part of his business merely because he has become large. The court of course could are have recognized this truth, but en"licano 'aily 'ews July 15, 1944



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San Francisco Examiner July 11, 1944

## No Appeal in Pullman Suit

Firm Accepts Order to Split Business

CHICAGO, July 10.--(INS)--Puilman, Inc., will not appeal to the United States Supreme Court the decision of a Philadelphia Féderal court ordering the firm to separate its car servicing and car manufacturing operations, D. A. Crawford, president, said in letters to the stockholders today.

The Government brought the action under the Sherman and Clayton Anti-Trust Acts.

Crawford explained the company's decision was made in the belief that the supreme court might not give the company liberty of choice in Tetaining either the sleeping car or the car manufacturing business.

He necalled that the district court refused to accede to the request of the Department of Justice that the company be denied the right of making its own choice, and said, referring to the possibility that the supreme court might take an opposite view:

"Stockholders will readily understand the difficuities which would be faced in seeking to protect their investments if the management were to be restricted in the manner desired by the Government and deprived of festibility of action prived of the sublicity of action disposition of the property and other assets of one on the other, of the going businesses now conducted by the subsidialities of this corporation."

The \$131,000,000 company has ninety days from July 7 to advise the court of its plans for separation, which the court must approve.

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The Government brought the action under the Sherman and Clayton Anti-Trust Acts.

Crawford explained the company's decision was made in the belief that the supreme court might not give the company liberty of choice in retaining either the sleeping car or the car manufacturing business.

He recalled that the district court refused to accede to the request of the Department of Justice that the company be denied the right of making its own choice, and said, referring to the possibility that the supreme court might take an opposite view:

"Stockholders will readily understand the difficulties which would be faced in seeking to protect their investments if the management were to be restricted in the manner desired by the Government and deprived of flexibility of action in conducting negotiations for disper ainton of the pro-triv other of the going businesses now conducted by the subsidiaries of this corporation." The \$31,000,000 company has

The \$131,000,000 company has nincty days from July 7 to advise the court of its plans for separation, which the court must approve.

### Birmingham Herald Birmingham July 20, 1944 PULLMAN TO QUIT SLEEPER BUSINESS

NEW YORK, July 19—(*P*)—Directors of Puliman, Inc., announced Wednesday after a meeting that the company would "endeavor to dispose of its sleeping car business."

The action was taken, a company statement said, "in order to carry out the requirements of the decree entered on May 8 in she U. S. District Court at Philadelphia in the government's anti-trust suit against the Puliman group of companies."

By the decision, the company from now on will be in the business of manufacturing railroad cars and equipment.

The statement said the directors had decided "to prepare a plan to effectuate such disposition, to be submitted to the court on or before Oct. 5, 1944, for approval."

### New York Journal-American

### Thurs., July 20, 1944. Pullman to Drop Its Sleeping Cars

Pullman, Inc., loday announced it would "endeavor to dispose of its sleeping car business to carry out requirements of the decree entered May 8 in the U. 8. District Court at Philadelphia in the Government's anti-trust suit sgainst the Pullman group of companies."

Pullman plans to manufacture railroad cars and equipment. It will submit the plan to the court on or before Oct. 5.

The company also voted a capital stock dividend of 50 cents a share, pavable Sept. 15 to holders of Aug. 25.

### THE NEW YORK SUN. JULY 20, 1944. RAILS MAY DEVISE PLAN FOR PULLMAN

The disposal of the sleeping car business of Pullman, Inc., which directories of years of the sleeping car and the sleeping of the sleeping of the rate is likely to fail into the lap of the Association of American Railroads, which had much to do case of the Railway Express Agency, taken over by the railroads from the American Rail way Express Company.

The A. A. R. meets a week from tomorrow in Washington and may take up the matter then. Heretofore it has awaited formal announcement by the Pullman. Inc., board of its decision through the option it had under the decree of the Federal Court entered on May 8.

Whether the association-evolves a plan depends upon whether a majority of the Class I railroads using Pullman equipment desire to continue operation of the sleeping car comply a whether they wish to break it up either through formation of regional pools or through the purchase of equipment by individual carriers.

There is much to be said for a single central pool as against regional pools, and experience has indicated that operation through the Pullman Company of the sleeping car business has been on a basis cheaper and more efficient than most individual railroads could hope to do themselves.

When the Railway Express Agency was formed in 1928 it issued 1,000 shares of capital stock at \$100 a share to participating railroads and issued \$32, 000,000 of an authorized \$50,000, 000 of 5 per cent bonds, which were soid at par to the public. The bonds were not secured by mortgage, but the traffic agree ments executed by the various indenture. The Railway Express Agency used more than \$50,000, 000 of the proceeds to buy the express business from American Railway Express.

### NEW YORK TIMES, JULY 20, 1944.

### Pullman Plans to Dispose Of Sleeping-Car Business

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### THE WALL STREET JOURNAL July 20, 1944

Pullman Inc. Announces Pullman Has Had No Offers Decision to Give Up **Sleeping Car Business** 

Will Submit to Court Program to Conform With Its Decree in Anti-Trust Suit

Pullman Inc. yesterday announced that it will endeavor to dispose of its sleeping car business in conformance with the decree entered on May 8, 1944, in the U. S. District Court of Philadelphia in the Government's anti-trust suit against the Pullman group of companies

A special three-judge court in May ordered Pullman, Inc., to give up either of the two major lines of business conducted by the company-its railroad car manufacturing business or its sleeping car business.

The effective date of the court decree was July 7 and Puilman has agreed to submit to the court on or before October 5, 1944, a plan to effectuate the separation of the business decided upon at yesterday's meeting of the board of directors. The company has a further period of one year in which to put the plan into effect.

The method of disposing of the sleeping car business, conducted by a subsidiary, Pullman Co., apparently has not been decided upon

While it has been a general assumption that the sleeping car subsidiary of Pullman would be taken over jointly by the railroads and operated along the lines of the cooperative Railway Express Agency, nothing official or definite along this line has transpired.

On the other hand, some esilroad officials are represented as believing it is unlikely that a jointly owned railroad subsidiary will be formed. Rather, it is said, individual railroads may prefer to acquire some of the Puliman equipment on their lines; or railroads in various sections of the country may group together in pools to purchase the Puliman equipment needed by them. In the latter event, there would be several pools throughout the country

The Association of American Railroads is understood to have taken no sction in the matter but now that Pullman has made a formal election to retain its car manufacturing business and dispose of the sleeping car business, it is possible that directors of the A.A.R. may canvass the situation at their meeting on July 28 in Washington.

The court decree prohibits interlocking di-rectors among the Pullman companies and forbids officers or directors of one company from holding securities in the other. These provisions have been interpreted as obviating the distribution of shares in a newly formed sleeping car company among present stockholders of the parent company.

CHICAGO - Pullman Inc. officials here sald they have received no offers for the sieeping car company. A committee has been formed to work out a plan of sale to present to the court on or before October 5.

#### NEW YORK HERALD TRIBUNE. JULY 20.

### 1944

Company, the Pullman Car and Manufacturing Corporation of Alabama and thirty-one officers and directors, including Alfred P. Sloan jr., Harold S. Vanderbilt and Richard K. Mellon.

Under the decree offcers and directors of any one Pullman company are prohibited from holding securities in any other, and from serving on the boards of any other.

The Court directed that the companies file a plan for the sepa ration within a year and specified that if the plan is not acceptable, the court itself will make a proposal.

At the time of the decree the servicing company had "exclusive right" contracts with railroad companies under which railroads desiring Pullman service had to agree to use it over all their lines. the alternative being for the railroads to provide their own sleeping cars and, service without access to the pool of Pullman sleeping cars

The manufacturing unit had not exclusive right contract, but it supplied the servicing unit with sleeping cars.

The court ruled that the servicing company may acquire new cars only through competition and not exclusively from its associate. The servicing company was directed to supply other car manufacturers with specifications for any new cars it desires.

Speculation in railroad circles has centered around the question has centered around the question of who might buy the Pullman Company. Among the possibil-ities, it was hinted, is purchase of the Pullman Company by railroads themselves, but it was pointed out, that this might involve considerable difficulties, among them the division of the fleet of more than 7,700 Pullman cars now assigned to the different railroad companies

Officials of the company pointed out that they could, under the court decree, sell the sleeping car business to any individual or combination which wanted to buy, except stockholders of Pullman, Inc.

If the company were sold to the railroads, there are 139 Class 1 carriers which might become joint owners.

Service Units **Corporation to Confine All** Activity to Manufacture Under Anti-Trust Edict

**Pullman** Votes

To Give Up Its

Directors of Pullman, Inc., announced yesterday that the company would "endeavor to dispose of its sleeping car business" in keeping with a United States District Court decree which ordered the Pullman group of companies to separate their railroad-car manufacturing from their business of servicing sleeping cars.

The announcement, made here following a meeting of the direc-tors of Pullman, Inc., also stated that the directors decided to prepare a plan to effectuate the disposition of the sleeping car business to be submitted to the court on or before Oct. 5.

Under that company decision. the organization from now on will confine itself to the business of manufacturing railroad cars and equipment.

The directors' decision was directly contrary to the original in-tent of the Department of Jusice, which asked that the company be ordered to stay in the servicing business and dispose of its manufacturing. The United States District Court of Philadelphia rejected this government demand.

Action of the directors of Pullman, Inc., grows out of a decree entered on May 8 in the court in the government's anti-trust suit against the Pullman group. At that time, the three-judge

Federal Court, held that the Pullman companies exercised an illegal monopoly of building and servicing railway sleeping cars and ordered the group to give up one business or the other.

The decree came as a climax to the government's four-year-old anti-trust suit, which named Pullman, Inc., the Pullman Company, which provides "personal service" aboard sleeping cars; the Pullman-Standard Car Manufacturing

### THE JOURNAL OF COMMERCE AND COMMERCIAL,

NEW YORK.

### JULY 20, 1944

## Pullman Will Drop Sleeping Cars

Plan in Accord With Decree

hete.

Court, fearing that such a move might cost the company the freedom of choice ln declding which branch of its operations it would retain.

#### To Prepare Plan

A statement issued after the di- railroad executives. rectors' meeting yesterday said the company would "endeavor to dispose of its sleeping car business,"

Pullman directors were believed sons and with such special events to have weighed the postwar prospect. of the sleeping car business against those for the railroad Pullman. Inc., has elected to dis pose of its sleeping car business in their decision as to which branch order to meet the requirements of of the business they would retain. the decree in the Government's Serious inroads into the sleeping anti-trust suit against the Pullman car business by air transport are group of companies, it was an-nounced yesterday after a meeting after the war. On the other hand formation of a company by the railof the company's board of directors the car manufacturing business is roads along the lines of the Railway expected to be brisk for some Lie decree, entered May 8 in the years, due to the need of moderni-United States District Court in Phil- zation of passenger equipment by adelphia, left the company with the many railroads. Pullman has been choice of disposing of the sleeping active in designing new types of

railroads. Experiences which that A third proposal which has been carriers have had in the past in op- put forward would involve opera erating their own equipment of this thon of sleeping cars by the East type have not been such, generally ern, Western and Southeastern re

One of the main advantages ment to meet peak demands in the which has been claimed for Pull- same manner as would the opera man Co. operation has been the tion of the cars by the Individual and "to prepare a plan to effectu- fact that its 7,766 cars provides the roads.

Company to Prepare Sale antited to the court on or before equipment. The railroads with a pool of mitted to the court on or before equipment. The railroads require of October 5, 194, for approval." as conventions, big sports contests and other factors. It would be costly for a single road to hold sufficient cars in reserve to meet its needs at peak times. Consequently, this offers another reason why sale of the cars to individual carriers la regarded as unlikely.

Express Agency to take over the sleeping car business. There are said to have been some aspects of operation of the express business by choice of disposing of the sleeping active in designing new types of a company owned by the carriers man Co. or the ear manufacturing for the postwar period and the sleeping cars, which make some railroad official part of the postwar period and the sleeping cars, which make some railroad official the postwar period and the sleeping cars, the part of the postwar period and the sleeping cars, the part of the sleeping cars, the sleep a company owned by the carriers speaking, as to make them desire gional railroad organizations. How to follow this course, according to ever, this would make necessary railroad executives.

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The Christian Science Monitor July 21, 1944

### **Pullman Plans To Dispose Of Sleeper** Unit

NEW YORK, July 20 (AP)-Directors of Pullman, Inc., announced yesterday after a meeting that the company would endeavor to dispose of its sleeping car business."

The action was taken, a company statement said, "in order to carry out the requirements of the decree entered on May 8 in the U. S. District Court at Philadelphia in the Government's antitrust suit against the Pullman group of companies."

By the decision, the company from now on will be in the business of manufacturing railroad cars and equipment.

The statement said the directors had decided "to prepare a plan to effectuate such disposition, to be submitted to the court on or before Oct. 5, 1944, for approval

Speculation in railroad circles has centered around the question of who might buy the Pullman Co. subsidiary which operates the sleeping car business. Car and equipment manufacturing through another subsidiary, the Pullman-Standard Car Manufacturing Co

One of the strongest possibilities, these circles said, is purchase of the Pullman Co. by raidroads themselves. An example cited was the Railway Express Agency, which is owned by the carriers.

If the company were sold to the railroads, there are 139 Class I carriers which might become joint owners

The directors' decision was directly contrary to the original intent of the Department of Justice, which had asked that the company be ordered to stay in the servicing business and dispose of its manufacturing. Federal Court at Philadelphia rejected this Government demand.

Prior to yesterdays' decision, Pullman President D. A. Crawford said the company had not ap-pealed the order to dispose of one or the other firms because it feared the Supreme Court might jeopardize the company's freedom of choice.

Under the decree as issued there may be no interlocking directors among Pullman, Inc., Pullman Co., Pullman-Standard Car Manufacturing Co., or Pullman Car & Manufacturing Corp. of Alabama. Officers or directors of one Pullman company also are prohibited from holding securities in any other.

### Kansas City Star July 21, 1944 Pullman Firm and George, The Porter, Parting Company

Sleeping Car Manufacturers Arrange to Give Up Operating End of the Business-The Railroads Themselves May Take Over.

EW YORK, July 20.(AP)- So George may continue his busifate of that American institution, George may want to change its name. as George,

They thought of George and their self of manufacturing. president, D. A. Orawford, exprcssed Pullman asked and got a choice hope George and his fellows would and, President Crawford said, didn't

controlling Rallway Express agency. 1867.

Decision of Pullman, Inc., ness of shoe-horning 6-foot-6 pasto divorce itself from the sengers into and out of upper berths. sleeping car business left hanging in the balance today the tion of Calling Pullman Porters

ne Pullman porter usually known s George. Pullman directors, who have until suit under the Shorman and Clay-Pullman directors, who nove must start those the shortman data october 5 to make their decision of ton anti-trust acts instituted last yesterday effective as ordered by year. The Department of Justice federal ourt, had to drop either car asked that Pullman be ordered to service or equipment manufacturing, continue car service and divest it-

hope of the second seco keep on making rainoan equipment, jeoparuzing tink irectoin of action. There's more money in it, and Pull-Pullman originated more than man is the largest manufacturer in three-quarters of a century ago, the field. George Pullman's first car, the In the second se the 7,000-odd Pullman cars under a Pullman's Palace Car company, the joint ownership similar to that now company incorporated in Illinois in

### MODERN TRANSPORT LONDON 7/8/44

Pullman and the Anti-Trust Laws ON July 20, 1940, the United States Government filed an anti-trust suit against

Pullman Incorporated, and on May 8 of this year a final judgment handed down by the Federal District Court at Philadelphia ordered that the company should separate the sleeping car business operated by its subsidiary, the Pullman Company, from the manufacturing business conducted by its subsidiary, the Pullman-Standard Car Manufacturing Company. The decree is to take effect at the end of 60 days from May 8. unless within that time an appeal is made. in which case it will take effect on the day on which the mandate of the Supreme Court is filed in the District Court at Philadelphia. The decree prohibits transfer of property, Pullman group cannot be stated until a thorough study and analysis has been made of the effect of the decree.

### FULTON, KY NEWS 7/14/44

TOOL-MAKING THREATENED in the next few weeks, we'll see the climax of a development of unusual significance to American business. On July 7 a federal district court decree ordering the disintergration of one of the nation's most important war (and peace) industries is scheduled to become ffective. That a major war producer be disabled in the midst of war is astounding enough, but the case may have even more farreaching peacetime results. After several years of litigation, the Pullman organization has been ordered by the court to give up its sleeping car manufacturing business or its operation of sleeping cars, with which it serves nearly all of the mation's railroads. The company, producer of ships, tanks, shells, guos, aircraft subassemblies and a long list of ordnance equipment, and carrier of a heavy portion of military and civilian railroad passenger traffic, was ordered to split itself because of its "sole occupancy" of the sleeping car field. David A. Crawford, president of the company, which in peacetime builds its own slepeing cars, says the decree "involves and threatens the fundamental right of a contractor to make for himself the tools with which he does his job," and while Pollman is studying the order, it is this issue that is drawing unusual current attention in business circles.



At this time of the year most people are thinking of vacations villan railroad passenger traffic, but for the last two years, at least, was ordered to split itself because war production needs have made of its "sole occupancy" of the the usual summer rest period a sleeping car field. David A. Crawthing of fond memory for many. ford, president of the company, This year, however, many leading which in peacetime builds its own war production plants, with the sleeping cars, says the decree "inblessing of Donald Nelson, head of volves and threatens the funda-the War Production Board, and mental right of a contractor to other high government officials, make for himself the tools with are urging their employees to take which he does his job,' and while time off for rest. Their purpose is Pullman is studying the order, it not entirely altruistic but also bas- is this issue that is drawing uned on the widely accepted theory usual current attention in busithat a rested worker is a better ness circles. worker. Morever, experience has proven that absenteeism during the summer months is greatly reduced when regular vacation schedules are in effect.

Industry's vaction plans for its employees are being worked out so that full production schedules can be maintained, following the suggestion of Donald Nelson that "if workers want a vacation their fellow workers might plan to do an extra stint while they are away." While offically approved vacations will undoubtedly tend to increase the summer resort business, the important factor is that well-planned periods of rest and relaxation will mean more efficient workers to maintain or increase the America war production records which have astouned the world-including that man Hitler. It might be added that all of the major plans of industry contemplate "vecetions with pay."

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nance equipment, and carrier of a At this time of the year most heavy portion of military and ci-



T<sup>IME</sup> was when the supposed railroad was a large amount of 999-year bonds and a small amount of stock. You "hired" your capital at wholesale and at low rates, indefinitely. There was no other transportation but the horse and wagon and/or buggy— and many thought there never would be.

But how times change!

Last Tuesday a group of Chi-cago investment bankers offered for sale 249,556 shares of the com-mon stock of the Chicago South Shore and South Bend Railroad, which railroad, be it known, has no bonds and no preferred stock. Simple Balance Sheet.

And the road's balance sheet, too, is one that a layman can un-derstand without the help of a certified public accountant. There are just four items on the asset are just four items on the asset side, road and equipment, invest-ments, current assets and prepaid charges. The liability side of the statement is equally simple.

statement is equally simple. Of course its a small rail-road as railroads go, but i found much histerst in reading sheet that one could memially balance off against the physi-cal. There is approximately 70 miles of railroad in Cluding makely SIS,600,000 a mile. Modern vehicle highways cost that much histe dors, for the road alone.

The road's investment in sub-The road's investment in sub-sidiary terminal and bus facilities --the bus line serves Benton Har-bor and St. Joseph from Michigan City-curiously is carried at \$3. The cash and U.S. bond account totals about \$1,750,000; and among current liabilities is an accrual for federal income taxes—all of which is changed reading matter from the "good old" days.

the "good old" days. Those interested in the growth of earnings of this line will note that in 1943 gross income was more than twice the gross of 1938. And you learn something useful about the growth of the commu-ties show the south of the commu-

about the growth of the commu-nities along the south end of Leke Michigan by reading this "tenta-tive and prelminary draft" put has grown from 20,225 in 1810 to 70,184 in 1944? East Chicago has grown from 19,086 to 54,837, and the total population of Lake Coun-ty (Ind.) grew from 32,864 in 1010 to 203,105 in 1140.

the 1940 population was 111,7197 Michigan City has gained 7,000 since 1920 kowing in 1940 a popu-since 1920 kowing in 1940 a popu-ty, Michigan, in which are St. Jo-seph and Benton Harbor, gained mearly 60,000 between 1920 and 1940, having a population of 161,-823 in 1940. South Bend weat from 70,803 in 1920 to 101,268 in 1940

Speaking of railroads, a nice ittile point comes up in connec-tion with the recent decree of the three-judge Federal Court at Philadelpha holding that the Pullman Co word the two the the In Philaderia bolding that the Pullman Ca. must give up obtained Is car manufacturing or its car operating business. It is tanta-mount to declaring that a man who furnishes a service to the public cannot make his own who furnishes a service to the public cannot make his own in talking about democracy and freedom with that doctrine in the ascendancy. That restrictive principle ap-plied to a plumber or a small-

plied to a plumber or a small-town dairyman who peddles his own milk would force the intro duction of another middle man and raise prices. And haven't we been told these many years that it is "middleman's profits" that penalize both producer and consumer?

### Peril to Railroads.

Also interesting is the fact that if it were established that the man who renders a service cannot manufacture his own tools, then the railroads themselves could not make their own cars or engines or any other of the numerous "tools"

any other of the numerous "tools" they make for their own use. There is less than common sense and nothing gained by destruction of a public service that operates efficiently and at low cost to the public. Besides there won't be a body of legal precedents that any-body can rely on if the courts con-tinue this business of making laws

timie this business of maxing taws to fit case. More than 60 years ago the State of Illinois gave the Puilman Co, a charter to make cars and to rent them to raitroads. The company has operated under that charter, and the Interstate Com-merce Commission has regulated the company continuously ever

merce Commission has regulated the company continuously ever since. Today the federal govern-ment cannot plead lack of power to regulate or to tax. Hence any ill that cannot be cured by the power to regulate or to give up part of his business inger. The court of course could have recognized this truth, but en-Gary has had considerable ad-Gary has had considerable ad-vertising, but how many are aware that against a population of 18,002 in 1910 and 55,378 in 1920 be the order of the day.



Contrary to nearly everyone's expectation, the Pullman Co. last week announced that it would not carry to the U. S. Supreme Court the government's anti-trust action against it. The lower courts had found for the government, ordered that the company either must cease operating sleeping and other railroad cars and/or must cease manufacturing them. (It makes them through its Pullman Standard Car Mfg. Co.)

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PTTTSBURGH, PA

JUL 201944 Pullman Will

OST-GAZETTE Cir. D. 235.839

**Sell Sleepers** Selection of Business

To Be Kept Is Made -

NEW YORK, July 19 .- (P)-New FORK, July 19.-47-Directors of Dulman, Inc., an-nounced today after a meeting that the company would "endeavor to dispose of its sleeping car busi-ness."

ness." The action was taken, a com-pany statement said, "in order to decree antered on May 8 in the United States district court at Philosleiphia in the Government? anti-trust suit against the Pul-hang group of companies." By the decision, the company from now on will be in the busi-

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ness of manufacturing railroad cars and equipment. The statement said the di-rectors had decided "to prepare a plan to effectuate such disposi-tion, to be submitted to the court on or before October 5, 1944, for approval."

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 $\begin{array}{c} \prod_{i=1}^{M} \max_{i=1}^{M} \sup_{i=1}^{M} \max_{i=1}^{M} \max_{i=1}^{M$ I "Ideal capital structure of a railroad was a large amount of 999-year bonds and a small amount of stock. You "hired" your capital at wholesale and at low rates, indefinitely. There was no other transportation but the horse and wagon and/or buggyand many thought there never would be.

But how times change!

Last Tuesday a group of Chi-cago investment bankers offered for sale 249,556 shares of the comfor sale 249,556 shares of the com-mon stock of the Chicago South Shore and South Bend Railroad, which railroad, be it known, has no bonds and no preferred stock.

Simple Balance Sheet.

And the road's balance sheet, too, is one that a layman can un-derstand without the help of a certified public accountant. There are just four items on the asset side, road and equipment, investments, current assets and prepaid charges. The liability side of the statement is equally simple.

Of course it is a small rail-road as railroads go, but I found much interest in reading a railroad income and balance sheet that one could mentally balance off against the physi cal. There is approximately 70 miles of railroad lncluding equipment carried at approxi-mately \$13,000,000. That is about \$190,000 a mile. Modern vehicle highways cost that much these days, for the road alone,

The road's investment in subsidiary terminal and bus facilities -the bus line serves Benton Harbor and St. Joseph from Michigan City—curiously is carried at \$3. The cash and U.S. bond account totals about \$1,750,000; and among current llabilities is an accrual for federal income taxes—all of which is changed reading matter from the "good old" days.

Those interested in the growth of earnings of this line will note that in 1943 gross income was more than twice the gross of 1938 and also twice that of 1939,

And you learn something useful about the growth of the commu-nities along the south end of Lake ntites along the south end of Lake Michigan by reading this "tenta-tive and prelminary diraft" put out by the bankers. Hammond has grown from 20,925 in 1910 to 70,134 in 1940; East Chicago has grown from 19,098 to 54,637, and the total population of Lake Coun-ties to the total population of Lake Coun-1010 to 203 55 in 1940. ty (Ind.) grew from 82,864 in 1910 to 293,195 in 1940.

1910 to 293,195 in 1940. Intervity because he has Gary has had considerable ad-vertising, but how many are aware that against a population of 16,802 in 1910 and 55,378 in 1920 be the order of the day.

seph and Benton Harbor, gained nearly 60,000 between 1920 and 1940, having a population of 161,-823 in 1940. South Bend went from 70,893 in 1920 to 101,268 in 1940

Speaking of railroads, a nice little point comes up in connec-tion with the recent decree of the three-judge Federal Court at Philadelpha holding that the Pullman Co, must give up either its car manufacturing or its car operating business. It is tantamount to declaring that a man mount to declaring that a main who furnishes a service to the public cannot make his own tools. There isn't much sense in talking about democracy and freedom with that doctrine in the ascendancy.

That restrictive principle ap-plied to a plumber or a smalltown dairyman who peddles his own milk would force the introduction of another middle man and raise prices. And haven't we been told these many years that it is "middleman's profits" that penalize both producer and consumer?

### Peril to Railroads.

Also interesting is the fact that if it were established that the man who renders a service cannot manufacture his own tools, then the railroads themselves could not make their own cars or engines or any other of the numerous "tools" they make for their own use.

There is less than common sense and nothing gained by destruction of a public service that operates efficiently and at low cost to the public. Besides there won't be a body of legal precedents that anybody can rely on if the courts continue this business of making laws to fit cases.

More than 60 years ago the State of Illinois gave the Pullman Co, a charter to make cars and to rent them to railroads. The to rent them to railroads. The company has operated under that charter, and the Interstate Com-merce Commission has regulated the company continuously ever-since. Today the federal govern-ment cannot plead lack of power to regulate or to tax.

To regulate or to tax. Hence any ill that cannot be cured by the power to regulate or tax certainly is not likely to be cured by forcing a public servant to give up part of his business merely because he has become large. The court of course could have recognized this truth, but encouragement of nostrums seems to



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> PITTSBURGH, PA. POST-GAZETTE Cir. D. 235.839

### JUL 201944 Pullman Will Sell Sleepers

Selection of Business To Be Kept Is Made

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The action was taken, a com pany statement said, "in order to carry out the requirements of the decree entered on May 8 in the United States district court at Philadelphia in the Government's anti-trust suit against the Pull-

anti-trust suit against the Pull-man group of companies." By the decision, the company from now on will be in the busi-ness of manufacturing railroad cars and equipment.

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 $T_{\rm ii}{\rm ME}$  was when the supposed ratio of the second state of a railroad was a large amount of 99-year bonds and a small amount of stock. You "hired" your capital at wholesale and at a loo other, it arguing the second state of the second wagon and/or but the horse and wagon and/or buty.

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> PITTSBURGH, PA. POST-GAZETTE Cir. D. 235.839

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The action was taken, a company statement said, "in order to carry out the requirements of the decree entered on May & in the United States district court at Philadelphia in the Government's anti-trust suit against the Pullman group of companies." By the decision, the company

By the decision, the company from now on will be in the business of manufacturing railroad cars and equipment.

The statement said the directors had decided "to prepare a plan to effectuate such disposition, to be submitted to the court on or before October 5, 1944. for approval."

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BUFFALO, N. Y. NEWS Cir. D. 248,006

## JUL 201944 PULLMAN DECISION Crawford said, didn't appeal the final court ruling May 8 for fear of jeopardizing that freedom of TO MEAN DISPOSAL action. The second s

of the manufacture of railroad mergers continuing through 1934

ent company. The manufacturing subsidiary is the Pullman-Standard Car Manufacturing Company. The local shops normally employ 600 to 700 workers. Local executives today declined to comment.

Also hanging in the balance is the fate of that American institution, the Pullman porter usually known as George. In making the decision, Pullman's President D. A. Crawford expressed the hope George and his fellow - workers would continue as a unit.

The Pullman statement said directors had decided "to prepare a plan to effectuate" disposition of the sleeping-car affiliate, but gave no indication of potential purchasers.

### Roads Might Take Over

The plan will be submitted to the U. S. District Court at Philadelphia on or before Oct. 5. One possibility, railroad circles said, is pany by the railroads themselves. One big difficulty here, however, would be the division of the fleet of some 7786 Pullman cars among the different railroad companies.

Some high railroad executives. it was sald, have not been satisfled with the operation of the Rallway Express Agency, which now is owned by the railroads, and they would prefer not to become involved in another joint railroad enterprise that might cause additional headaches.

These executives point out that operation of the cars by Pullman has provided a natural car pool, which in normal times transferred cars to areas where they were needed-such as Florida in the Winter-but that individual railroad operation would require many more cars in the aggregate.

Alternate Plan Would Be Unwieldy

Without a car pool, individual railroads would require many idle cers in slack periods to meet peak demands

The decision under which Puil-man must split up resulted from a suit under the Sherman & Clayton Anti-Trust Acts instituted last year. The Department of Justice asked that Pullman bc ordered to continue car service and divest itself of manufacturing. Pullman asked and got a choice and, President

action.

Pullman originated more than The decision of Pullman Inc. late Pullman originated more than vednesday to "endeavor to dispose three-quarters of a century ago. of its sleeping-car business" in favor The present concern resulted from mergers continuing through 1934 or use manufacture of railroad mergers continuing through 1934 cars and equipment will mean the that made Pullman Inc. a holding disposal by Pullman of its large company with consolidated assets carrepart haps at 1770 Broadway, of more than \$33,000,000 and an-The shops are operated by the nual earnings that recently have Pullman Company, sleeping-carbeen close to the \$10,000,000-affiliate of Pullman Inc, the par-mark.

### EVENING SUN Circ. D. 158,739

BALTIMORE, MD.

## Pullman Firm To Quit Sleeping-Car Business

New York, July 20 (P)-Directors fleet of some 7.766-odd Pullman of Puliman, Inc., announced yester- ars among the different railroad day after a meeting that the com- companies. pany would "endeavor to dispose a decision could be based on how of its sleeping-car business."

The action was taken, a company pany had done in the past. satement said, "In order to carry the requirements of the decree said they could, under court de-entered on May 8 in the United cree, sell the sleeping-car business States District Court at Philadel-|o any individual or combination phia in the Government's anti-trust which wanted to buy, except stocksuit against the Pullman group of holders of Pullman, Inc. companies

from now on will be in the business carriers that might become joint of manufacturing railroad cars and owners. equipment.

effectuate such disposition, to be be ordered to stay in the servicing October 5, 1944, for approval."

speculation in railroad circles deiphia has centered around the question demand. of who might buy the Pullman Company subsidiary which oper-ates the sleeping-car business. Car company ates the sleeping car business. Car company had not appealed the and equipment manufacturing is order to dispose of one or the other through another subsidiary, the firms because it feared the Su-Puilman-Standard Car Manufactur preme Court might jeadordize the ing Company

One of the strongest possibilities. these circles said, is purchase of the Pullman Company by railroads among Pullman, Inc., Pullman

78

But railroad circles said this one Pullman company also are pro-might involve considerable difficulties. One would be division of the any other.

much Pullman business each com-

Officials of the parent company

By the decision, the company vailroads, there are 139 Class I

### Decisions Differ

Speculation On Buyer The statement said the directors decision was directly contrary to the original had decided "to prepare a plan to offectuate control direction to be decided to the directors decision was directly contrary to the original to which had asked that the company October 5, 1944, for approval." Speculation in railroad circles delphia rejected this Government

Prior to the decision, Pullman President D. A. Crawford said the company had not appealed the company's freedof choice.

Under the decree as issued there these titles among submitted and the Pullman-Standard Car themselves. An example cited was (company, Pullman-Standard Car the Railway Szoress Agency, which Manufacturing Company or Pull-the Railway Szoress Agency, which Manufacturing Company in the cartiers.



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Without a car pool, individual railroads would require many idle cers in slack periods to meet peak demands.

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73

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Prior to the decision, Pullman President D. A. Crawford said the company had not appealed the g is the firms because it feared the Supreme Court might leadordize the company's freedof ehoice.

Under the decree as issued there may be no interlocking directors among Pullman, Inc., Pullman

of Alabama. Officers or directors of But railroad circles said this one Pullman company also are pro-

Cir. D 28 373 JUL 201944

ELMIRA, N. Y. STAR-GAZETTE

## Pullman Plans to Dispose **Of Sleeping Car Business**

New York (AP) New York (AP) — Directors of tors had decided "to prepare a pultiman inc. announced Wednes- plan to effectuate each disposition of the second seco

panies.'

By the declslon, the company from now on will be in the business of manufacturing railroad cars and equipment.

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carry out the requirements of the of who might buy the Pullman Co., carry out the requirements of such of who might buy the running to, decree entered on May 8 in the subbiliary which operates the U.S. District Court at Philadelphia in the governments anti-trust suit seeing car business. Car and against the Pullman group of com through another subsidiary, the Pullman-Standard Car Manufacturing Co.

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## JIL 201944 Pullman Plans to Dispose

Of Sleeping Car Business New York, July 19 (49-Directors of Pullman, Inc., announced today after a meeting that the company would "indeavor to dispose of its sleeping car business."

The action was taken, a company statement said, "in order to carry out the requirements of the decree entered on May 8th in the U. S. District Court at Philadelphla in the government's antltrust sult against the Pullman group of companies."

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equipment. The statement said the directors had decided "to prepare a plan to effectuate such disposition, to us submitted to the court on or before Oct. 5, 1944, for approval."

## PULLMAN TO LEAVE SLEEPER FIELD

PHILADELPHIA, PA. BULLETIN

Cir. D. 462.626

### Directors Decide to Limit Firm to Manufacturing; Court Decree Cited

New York, July 20-(AP)-Directors of Pullman, Inc., announced after a meeting yesterday that the company would endeavor to dispose of its siceping car business.

The action was taken, a statement said, in order to carry out the requirements of the decree entered on May 8 in the U.S. District Court at Philadelphia in the Government's anti-trust suit against the Pullman group of companies.

The company from now on will be in the business of manufacturing railroad cars and equipment.

The statement said the directors had decided "to prepare a plan to effectuate such disposition to be submitted to the court on or before October 5, 1944, for approval." Speculation in railroad circles has

centered around the question of who might buy the Pullman Co., the subsidiary which operates the sleeping car business. Car and equip-ment manufacturing is through another subsidiary, the Pullman-Standard Car Manufacturing Co.

One of the strongest possibilities, these circles said, is purchase of the Pullman Co. by railroads them-selves. An example cited was the Railway Express Agency, which is owned by the carriers.

But railroad circles said this might involve considerable difficulties. One would be division of the fleet of some 7,766-odd Pullman cars among the different railroads. It was suggested that perhaps a decision could be based on how much Pullman business cach company had done in the past.

Officials of the parent company said they could, under the court decree, sell the sleeping car business to any individual or combination which wanted to buy, except stock-holders of Pullman, Inc.

If the company were sold to the railroads, there are 139 Class I car riers which might become joint owners.

ELMIRA, N. Y. STAR-GAZETTE Cir. D. 28.37

## UIL 201944 Pullman Plans to Dispose **Of Sleeping Car Business**

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BUFFALO, N. Y. COURIER-EXPRESS Cir. D. 121,672 - S. 202,510

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## PULLMAN TO LEAVE **SLEEPER FIELD**

PHILADELPHIA, PA.

BULLETIN Cir D 462 626

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One of the strongest possibilities, these circles said, is purchase of the Pullman Co. by railroads themselves. An example cited was the Railway Express Agency, which is owned by the carriers.

But railroad circles said this might involve considerable difficulties. One would be division of the fleet of some 7.766-odd Pullman cars among the different railroads. It was suggested that perhaps a decision could be based on how much Pullman business each company had done in the past.

Officials of the parent company said they could, under the court decree, sell the sleeping car business to any individual or combination which wanted to buy, except stockholders of Pullman, Inc.

If the company were sold to the railroads, there are 139 Class I car, riers which might become joint owners.

### KOKOMO, Ind., TRIB.-DISPATCH 1 hursday, July 20, 1944

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## JUL 29 1344 Pullman Splits

Decision to abandon its sleeping car subsidiary under court pressure creates rate and operating problems for industry.

The directors of Pullman, Inc., are in the throes of planning, in accordance with an adverse federal court antitrust decision, how to divorce its sleeping car business (Pullman Co.) from its car manufacturing operations (Pullman-Standard Car Mfg. Co.). As predicted (BW-Jul.15'44,p38),

As predicted (BW-Jul.15'44,p38), Pullman decided to liquidate its sleeping car service and retain its car-making subsidiary when ordered to dispose of one or the other by the court (BW-May13'44,p26). The severance plan must be submitted to the court for approval by Oct. 5.

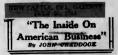
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This might result in the piece-meal sale of the 7,000-odd Pullman cars to operating railroads. In this connection, railroad executives are wondering whether the prohibition would stand in the way of the Assn. of American Railroad's setting up a nonprofit sleeping car pool in which all carriers could participate.

• Equipment and Rate Problems-Breakup of the Pullman Co. sleeping car pool, operated since the Civil War, might handicap smaller rainoads. Larger passenger carriers could afford to buy extra cars, creating their own pool to meet emergencies. Smaller companies would be on the spot, might be forced to abandon lightly traveled sleeper runs.

The differential rates for coach and first-class service, set in 1933, may also come up for revision. If railroads own both types of services, rate parity might return to the American scene.

 Rate Record-During the World War, the government made an additional charge for service in first-class cars. After this charge was abandoned, railroads obtained the Pullman surcharge on sleeper accommodations, amounting to about 0.64 a mile. When coach trains were developed in the early thirties, the surcharge was abandoned. It was replaced by a differential of a cent a mile between coach and firstclass fares.



Bargains in post-war ideas! Step right up folks and help yourselves!

When America entered the war Uncle Sim esized 45000 patents and patent applications of foreign corporations in this country. For 10 cents apiece copies are now being made available by the Office of the U. S. Allen Property Custodian. In any one of these patents there may be the opportunity of a lifetime for manufactures, engineers, chemists, skilled production workers, or anyone else with a knack for organizing and for making things.

Enemy countries have spent millions of dollars developing the patents. Yet by investing 10 cents for a copy of a patent and \$15 for s license to use it, one may glean knowledge that will lead to a fortune.

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> ROCHESTER, N. Y. TIMES-UNION Cir. D. 105 279

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## JUL 20 1944 **PORTERS FACE PROSPECT OF NEW EMPLOYER**

NEW HAVEN, CONN.

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The railroads who have been hauling pullman cars may turn out to be George's new boss,

Disposal of the sleeping car busi-ness, speculation says, may be to major carriers who would take over the 7,000-odd pullman cars under a joint ownership similar to that now controlling Railway Express agency. Shoe Horn Game

So George may continue his business of shoe-horning six-foot-six passengers into and out of upper berths.

But the society for the prevention of calling pullman porters George may want to change its name.

The decisoin under which Pullman must split up resulted from a suit under the Sherman and Clayton Anti-Trust Acts instituted last year. The Department of Justice asked that Pullman be ordered to continue car service and divest itself of manufacturing.

Pullman asked and got a choice and, President Crawford said, didn't appeal the final ruling for fear of jeopardizing that freedom of action.

Pullman originated more than George Pullman's first car, the "Pioneer," was too wide for most station platforms and business was poor. Then the "Pioneer" was chosen for President Lincoln's funeral coach and the roads made their equipment fit. Finally, as Pullman's Palace Car Co., the company incorporated in Illinois in 1867.

It grew. Through nearly seven decades it absorbed its competitors, including Mann's Boudoir Car Co. The resent concern resulted from mergers continuing through 1934 that made Pullman Inc. A holding company with consolidated assets of more than \$330,000,000 and annual earnings that recently have been close to the \$10,080,000-mask

ALBANY, N. Y. Knickerbocker News Cir. D. 52,146

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## Porters' Fate Left In Balance

NEW YORK-(SNS)-The decision of the Pullman Company, Inc., to divorce itself from the sleeping car business left hanging in the balance Thursday the fate of that American institution, the Pullman porter.

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#### ORIGINATED OVER 75 YEARS AGO

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ALBANY, N. Y. Knickerbocker News Cir. D. 52,146

## George, the Porter, to Remain, **But Without Pullman as Boss**

New York-(AP)-Decision of Pullman Inc. to divorce itself from the sleeping ear business left hanging in the balance today the fate of that American institution, the Pullman porter usually known as George.

Pullman directors, who have similar to that now controlling until Oct. 5 to make their deei- Railway Express Agency. sion of yesterday effective as ordered by Federal Court, had to drop either car service or equipment manufacturing.

They thought of George and their president, D. A. Crawford. expressed hope George and his fellows would continue as a unit, but decided to keep on making railroad equipment.

The railroads who have been hauling Pullman cars may turn out to be George's new boss.

Disposal of the sleeping car business, speculation says, may be to major earriers who would take over the 7,000-odd Pullman ears under a joint ownership

### TTLANTA. GA. WORLD. JULY 21, 1944

## Porters' Fate Left In Balance

NEW YORK-(SNS)-The decislon of the Pullman Company, Inc., to divorce itself from the sleeping car business left hanging in the balance Thursday the fate of that American Institution, the Pullman porter

Pitliman directors, who have until October 5 to make their decision of Wednesday effective as ordered by Federal Court, had to drop elther car service or equipment manufacturing.

They thought of the Pullman porter and their president, D. A. Crawford, expressed hope the porter and his fellows would continue as a unit, but decided to keep on 1867. making railroad equipment. There is more money in it. and Pullman is the largest manufacturer in the field.

The railroads who have been hauling Pullman cars may turn out to be the porter's boss CARRIERS MAY TAKE OVER

#### Disposal of the sleeping car business, speculation says, may be to major carriers who would take over the 7.000-odd Pullman cars under a joint ownership similar to that now controlling Rallway Express Agency.

The decision under which Pullman must solit up resulted from a suit under the Sherman and Clayton Antitrust Acts Instituted last year. The Department of Justice asked that Pullman be ordered to continue car service and divest itself of manufacturing.

Pullman asked and got a choice and, President Crawford said, did not appeal the final ruling for fear of jeopardizing that freedom of action

### ORIGINATED OVER 75 YEARS AGO

Pullman originated more than three-quarters of a century ago, George Puliman's first car, the "Ploneer," was too wide for most station platforms and business was poor Then the "Pioncer" was chosen for Fresident Lanconto neral coach and the roads made their equipment fit. Finally, as Pullman's Palace Car Company, the company incorporated in Illinois in

It grew. Though nearly seven decades it absorbed its competitors The present concern resulted from mergers continuing through 1934 that made Pullman, Inc., a holding company with consolidated assets of more than \$330,000,000 and annual earnings that recently have been close to the \$10,000,000 mark.







Circ. (25,302)

### This Clipping From BARRON'S WEEKLY BOSTON, MASS.

IUL 17 1944

Pullman, Inc., will not appeal the recent Federal Court order to diminute either its car manufacturing activities or its sleeping car service, D. A. Crawford, president, stated. An appeal, it is thought, might loss Pullman the right to decide which business to give up. A decision must be made within ninety days from May 8. (See also News and Views of Investments, Barons, May 15, 1944).

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This Clipping From BARRON'S WEEKLY BOSTON, MASS.

WL 24 1920 Pulman, Inc., choosing the expected alternative, will keep the meansacturing business and dispose of the sleeping or business with which it now server the nation's rainroads. An obvious guess is that the railroads will a More difficult to buy and operate the business for dynamics a new company forecast, however, is what the railroads will be for the business and what will happen if Pulman deserv the business is found in the Railway Express Agency, owned by the roads which in the '20s took over the express business from private operators.



### Railroads and Pullmans

What's it going to be-Pullmans, or are the railroads intent upon inventing a new name for the luxurious aleeping and parlor cars that will run on their own account in the future? For the Pullman company, in purstance of the accent court order, has agreed to get out of the business of operating Pullman cars, intending to restrict itself to their manufacture; and other types of railroad equipment. That of course is where the profits are, not in operating the sleeping, parlor and dining cars made at the company's big plants.

The railroads in due time will have the operation of the Pulman cars on their own hands, as they have the operation of the express business, which once was run by numerous companies. The railroads took over the express business after the last war, and will be doing the same kind of act in the operation of Pulman sleepers after the present war, if not sooner.

The question to the public is, will that mean higher rates or lower rates? Nothing has been mentioned on that point.

## Bollman Company Will Cease to Operate Sleeping Cars

New York, July 19—(P)—Directors of 'Pullman, Inc., announced today after a meeting that the company would "endeavor to dispose of its sleeping car business."

The action was taken a company statement said, "in order to carry out the requirements of the decree entered on May 8 in the U. S. district court at Philadelphis in the government's anti-trust suit against the Pullman group of companies."

By the decision, the company from now on will be in the business of manufacturing railroad cars and equipment.

The statement said the directors had decided "to prepare a plan to effectuate such disposition, to be submitted to the court on or before Oct. 5, 1944, for approval."

### Magazine of Wall St. NEW YORK, N. Y.

### 1111 22 1944

### **Pullman Family Divorce**

Pullman, Inc., decided not to appeal the Federal Court order to divest itself either of its sleeping car business or its manufacturing activities, fearing it might lose any choice of which to dispose of. The betting is about 10-10-1 that it will retain the manufacturing end. There will be plenty of negotiation before the railroads agree on a pool to take over the sleeping car business, and at what price and on what terms of payment. Pullman is a high-asset stock-but as a railroad equipment manufacture only it would have considerably less stable earnings than in the past.

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JUL 211944

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JUL 24 1944

Dear-

# News of Past Week on Home Front for Your Man in Uniform

Monday, July 24, 1944.

President Roosevelt and Senator Harry S. Truman of Missourl, watchdog of war spending, have been picked by the Democrats to stand off the Republican Dewey-Bricker ticket in the race for the Presidency....

That monetary conference up in Breiton Woods, N. H., with 4 nations participating, has set the world bank capital at \$8,800-000,000 in an honest attempt to finance reconstruction and development to guarantee postwar international investments.... Archbishog Spellman is at the Vatican...Some 70 overage limit residents of the famous Franklin Square House must vacate by Sep1. to make room for a unit of Army cade the nurses...

Official tabulation shows that Gov. Saltonstall, with 128,225 votes, topped all other candidates in the recent primary....The first concert on the Esplanade attracted a crowd of 25,000....Do You Walpole fellows remember Cobb's pond, where you used to go skating winters and fishing in the summer?...A new owner of the property has started to smash the dam and drain the pond so he can grow tranberries or wild rice...

Butter points have gone from 12 to 16 points again....Lt. Edmond Terry was reunited with his cousin, Pvt. Nicholas P. Walsh, Normandy veteran, at Fort Devens because of the latter's unmistakable Irish brogue....

Vacation minded autoists have been warned they can use their A gasoline rations only...revocation faces those who use B and C cards...It may take a long time because of material shortages, but decdorizing renovations have been started at the Brighton abbatoir...

### Pepper Martin, Fighter, Slain

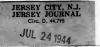
Holyoke has a new kind of a strike on its hands...100 or more employes of the Worthington Pump & Machinery Company "sat in" on the jobs from which they had been ordered laid off because of a cutback in Navy contracts for gun mourta..., they telegraphed President Roosevelt asking for more work...it has been called off since....

Boston police are busy running down clues in the murder of Apran Alajaian, alias Pepper Martin, small jime gambler and boxer, whose body was found in an automobile on Ipswich street in the Back Bay...Henry Ford II, was in town to accept the Army-Navy E flag in behalf of the Somerville plant of the Ford Motor Company...the award was made in recognition of the thousands of Bren gun carriers that the plant has turned out for the British Army....

Bill Campbell, chief accountant of the motor vehicles registry, says 780,738 automobiles were on the roads of Massachusetts June 30, as compared to 786,367 a year ago that date... Freddle Gauteson, 4-year-old Plainfield, N J., youngster, in a chance conversation with a mechanic of a precision instrument company, remarked that a garter snake and an elastic wrist watch band had similar movements... as a result, a new physics principal apparently has been discovered that will lied to repelling the Nazi robot bombs... the rest of the details are strictly hush-hush...

Here's a chance for you to go into business for yourselves when you come back: the Pullman Company, acting on a court anti-trust decision, is trying to sell out its sleeping car business...

The OPA has warned used car purchasers that they must file a certificate of transfer with their local rationing board before applying for gasoline....



## What Will Happen to George?

What is to become of George, the Pullman porter?

Pullman, Inc., has decided to divorce itself from the sleeping car business, but it is to be hoped "George" will not be divorced with it.

Pullman directors had a choice of dropping the car service or equipment manufacturing. Since there is more money in the manufacturing end than the operating end, Pullman chose the latter course.

It is assumed the railroads will take over the sleeping car business, and "George" with it, under a joint ownership similar to that now controlling the Railway Express Agency. So George may continue his business of shoehorning six-foot-six passengers in and out of the upper berths.

George Pullman originated the sleeping car more than three-quarters of a century ago, and it has become a national institution. No one knows just how Pullman porters came to be known as "George," but since the inventor's name was George, passengers might hav dropped into the habit of calling every Pullman porter by that name. "George' has never minded it, as long as a tip was forthcoming. And a considerable number of porters must undoubtedly have borne the name of George.

Pullman's first sleeping car, which he called the "Pioneer," and which probably accounts for the naming of every Pullman car since then, wasn't a success until it was used as President Lincoln's funeral coach.

From that beginning Pullman's Palace Car Co. grew to be a business worth more than \$300 million, with more than 7,000 cars doing a \$10 million a year business.

The decision under which Pullman must split up resulted from a suit under the Sherman and Clayton anti-trust acts instituted last year. The Department of Justice asked that Pullman be ordered to continue car service and divest itself of manufacturing. But Pullman asked and got a choice and choise to give up the car service rather than manufacturing.

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JERSEY CITY, N.J. JERSEY JOURNAL Circ. D. 44.79 JUL 24 1944

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84



# **Reports Lebor Opposes** New Ruml Tax Plan

#### BY LOU SCHNEIDER

Released by Consolidated Naws Fratures, Inc., to the Dayton Daily Naws.

NEW YORK, July 26.—Beardeley Ruml, father of pay-as-you-go tax plan, says corporations should be tax-exempt in postwar years. He argues it would lower prices of manufactured goods, allow wage in-creases, encourage distribution of earnings via enlarged dividends, and world double taxation-on corporate earnings and then on dividend re-world double taxation-on corporate earnings and then on dividend receipts by stockholders.

cents by stockhouers. The new Rumit tax plan is not liked by labor. Here's the view: Gov-erment loss of corporation tax receipts would have to offset by a wider distribution of taxes on small wage earners. Labor's wage-boost progress of the past 12 years was based on public education that cor-porations huge earnings are because of labor's effort.

The international trade winds say that the China Raw Material Works, Kweilin, Kwangsi province, is manufacturing a strong white synthetic cotton from fibres of straw and mulberry tree bark and at a low cost.

Association of American Railroad directors meet in Washington ASSOCIATION OF AMERICAN RAHITOMA directors meet in washington Friday. The discussion will be how to purchase the Pullman sleeping cars from Pullman Inc. Outcome will be—as previously reported here - a stock company with a big bong issue. Expectations are that the shares will be taken by the carriers; bonds will be sold to institutional investors.

Professionals diagonse the stockmarket's price decline as acute indigestion caused by investor's saturated optimism on postwar earnings prospects to start X-day—collapse of Germany.

Commodities trade informants say the pig crop this year fall about 20,000,000 heads below last year and not 32,000,000 as predicted by the department of agriculture. Feed will be pientiful and the WFA will abandon-perhaps for political reasons—its plan to reduce the hog sup-port price in October from \$13.75\$ to \$12.25\$ per hundredweight.

There's little likelihood of civilian goods output increasing while war requirements demand a high volume of steel tonnage. And the WPB insists that steel requirements will be high until X-day,

So, in place of again reducing octane aviation gasoline grows daily. civilians, FAW has a plan to allow manufacture of only one grade. OFA would fix prices on a regional basis.

War restrictions on wood, and low volume of fabric output, will bring furniture reductions total this year down to 30 per cent of last year which was 85 per cent of normal. But dealers expect to do well, Rebuilt furniture is again popular. If care is used, the items can be made to look new. The OPA celling price is 75 per cent of original cost.

New York Central's management to continue using wartime earn-ings for debt reduction; 50-cent quarterly dividend to hold ... Murray Ohio Manufacturing is nation's leading maker of such steel toys as bicycles, etc... Can manufacturing company's postwar prospects favorable; food packers say it's easier handling in all phases.

#### Cir. (D 93,172) (5 99,844)

This Clipping From CHARLOTTE, N. C. OBSERVER



JUL 27 SAA PHLMAN: Association of American Raized directors meet in Washington Triday. The discussion will be how to purphase the phuman aidentic sets from the set of the set of the set of the will be harded in the set of the set that the shares will be taken by the cat-test of the stars will be aided to institutional therein.



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. . .

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DAYTON, O. NEWS Circ. D. 64,568 - S. 63,2704

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BY LOU SCHNEIDER

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### Cir. (D 93,172) (S 99,844)

This Clipping From CHARLOTTE, N. C. OBSERVER



27 344 PILLMAN Assension of Assertian Ballond directors meet Mashington Triday The decision will be how to probably the Commany will be able to be able to the state of the state with a sign bond issue. Exceptions are been able to be able to be the company with a sign bond issue. Exceptions are been able to be able to be the state to able to be able to be able to be able to able to be able to be able to be able to able to be able to be able to be able to able to able to be able to be able to able to



CHARLOTTE, N. C.

N EW YORK, July 28.-Beardidy Rumi after of pay-a-voluen tax plan, mpt of pay-a-voluen tax plan, end to be added and the second second second allow water increase, encourse databution of earnings via enlarged divdends and own double taxation-on ociporate earnings and then on dividend recepts he sizekholders.

porate earnings and then on dividend zeexplos to stockholders. The oew Rumi tax plan is not liked by baber. Heres the verse (Sourch have to be offered by a wider distribution of taxes on small wage-earors. Labor's wageboast progress of the last 12 years was based on pluthe education that corporations huge earnings are because of labors affort

COTTON The international trade winds say that the China Raw Material Works, Kweilin, Kwangsi province, is mauidacturing a strong while synthetic cottan from fibres of straw and mulberry tree bark and at a low cost.

PULIMAN: Association of American Bailroad directors meet in Washington Fridax. The discussion will be how to purchase the Pollman low of the same specsilliman low the same service of the same service of the same service of the same with a his bacd issue. Expectations are that the shares will be taken by the carterer: bonds will be sold to institutional Everystors.

DIAGNOSIS: Professionals diagnose the erock market's price decline as acute indigestion caused by investor's saturated optimism on postwar earnings prospects to start X-day-collapse of Germany.

ROGS: Commodilies trade informants av the pix crop this year will fall about 50,000,000 expredicted year and pix 70,000 as predicted years and pix 70,000 as predicted years of Aproved years and the pix 10,000 as a predicted years pitted reasons—its plan to reduce the pix support price in Octhore from \$13.75 to \$12,00 per hundred weight.

STEFF: There's little likelihond of evilian goods output increasing while war requirements demand a hippy maints of steel ionnage. And thippy maints that iteel requirements will be high until X-day.

CASOLINE: Milliary demand for highentance aviation savoline grows daily. So, in place of again reducing octaine strongin of "spacial" gas sold to civilians, PAN bas a plan in allow manufacture of you one grade. OPA would fix proces on a Perional basis.

FUENITIRE: War restrictions on wood, and low volume of fabric output, will bering furniture reductions total this scent down in 3h per rent of last. But realers was far per over the fabric fabric output each per over the fabric fabric output each per make to hock new the OTA cellen far price is 7h per cent of roland cost.

ELECTION WAGER: It's too early, but the sufficient will get their quadrennial stock market pre-election play--if the trend seems to be in Deweys favore Commonwealth & Southern common at 81, however, is already labeled the election-wager acted.

INVESTOR NEWSHITS: New York Control of the second s

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BOSTON, MASS. Christian Science Monitor Cir. D. 119,791

## JUL 27 1947 Pullman George Retires

That whimsical society devoted to ending the quaint American custom of calling Pullman porters George may shortly discover that its objective has been achieved. For it looks as if the business founded by. George Pullman will in coming months greatly change its character.

There will be sleeping cars, but they probably won't be operated by Pullman. The company, in the face of a special Philadelphia Federal Court ruling that continuation of both railway equipment manufacturing and sleeping car operations would be in violation of anti-trust laws, has announced it will give up the operating end of its enterprise.

Just how this will be done isn't known yet, but is scheduled to be decided on or before Oct. 3. One proposal is that the railroads buy the Sleeping-car business and operate it jointly, much as they do the Railway Express.

The potentialities here are interesting. Would, for example, the railroads persist in charging higher fares for Pullman tickets if they found (as it often happened in the prewar days) the day coaches packed and the sleepers half empty?

Will new triple-deck berths be introduced, and other measures be taken to reduce costs? Or will coach accommodations be lifted to <u>Pullman</u> standards, so that for comfort, convenience, speed, safety and cost the railroads can recapture some of the passengers they lost to private autos and buses before the war, and hold some of the passengers they are in danger of losing to planes after the war?



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### Lake Wales News

## FLORIDA AUG 3 1944

### DATE

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## CARTERET, N. J. PRESS Cir. W. 1,862

## AUG 4-1944

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## RAVENNA, OHIO Record and Courier Tribune Cir. D. 6,603

### EXIT THE PULLMAN?

Pullman and sleeping car have long been interchangeable terms. They may be so no more. The directors of Pullman, Inc., have announced that the company will try to dispose of its sleeping car business.

This action is taken, they say, "in order to carry out the requirements of the decree entered May 8 in the U. S. District Court at Philadelphia in the government's anti-trust suit against the Pullman group of companies". By that decision the company could either manufacture or operate sleeping cars, but not both. Of the two the company prefers to make the cars, and let some ope else run them.

Whether that means a change in a historic name remains to be seen. After some early competition from the Wagner manufacturers, Pullman has been alone for a long period. It will take time to learn another name.

#### Watertown Times Watertown, Wis,

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CONNEAUT, OHIO NEWS-HERALD Cir. D. 4.051 AUG 3 - 1944

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### NEWBURYPORT, MASS. NEWS Cir. D. 5,149

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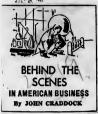
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NEW YORK.—Bargains in postwar ideas! Step right up folks and help yourselves!

When America entered the war Uncle Sam seized 45,000 patents and patent applications of foreign corportions in this country. For 10 cents aplece copies are now being made available by the office of the U.S. Alien Property Gustodian. In any one of these patents there may manufacturers, engineers, chemists, akilled production workers, or anyone else with a knack for organizing and for making things.

Enemy countries have spent millions of dollars developing the patents. Yet by investing 10 cents for a copy of a patent and \$15 for a license to use it, one may glean knowledge that will lead to a fortune.

The patents cover scores of industrics. About 7500 relate to the chemical industry, 1300 to ordnance and aircraft, 1000 to metallurgy, and 7000 to electrical subjects. Some ing, transportation, power and machinery, It is said that a good many of the larger companies in America aircady have begun intensive study of various patents, but that smaller corporations have been intensive study of various patents, but that smaller corporations have been intensive study of various patents, but that smaller corporations have been intensive study of various patents, but that smaller corporations to be been been been been presented by the base of the base of the base verting to profitable peacetime operations at the war's end.

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"The decision not to appeal may be a surprise to some followers of the case, but Mr. Crawford in a letter to stockholders explained it very clearly. The company's directors, he said, were "obliged to rescognize that if an appeal were taken, the freedom of choice permitted by the decrees would be supreme court input prefer to adopt the view of the dissenting judge in the district court who was of the opinion that no such freedom of choice should be permitted.

"To safeguard this essential freedom, your directors believe that the decision not to appeal is for this reason in the best interests of the corporation, its stockholders and its employes. Moreover, the taking of an appeal would necessarily have prolonged a period of legal uncertainty and would have left the railroad users of sleeping-car service, and the railroad buyers who have been accustomed to look to Pull-man-Standard for supplies of both man-standard for supplies of both freight and passenger equipment, hampered in their dealings with the Pullman group of companies, both in the immediate future and in the long-range planning of the railroads for the improved railway services which they intend to give to America."

> Port Syron, 111., Globe July 27, 1944 Description of this SCENES IN AMERICAN BUSINESS By John Craddock

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Folsom City, ( ni., Telegraph Cir. 899



NEW YORK .-- Bargains in post- to America." war ideas! Step right up folks and help yourselves!

When America entered the war Uncle Sam selzed 45,000 patents and patent applications of foreign corporations in this country. For 10 cents apiece copies are now being made available by the office of the U.S. Alien Property Custodian. In any one of these patents there may manufacturers, engineers, chemists, skilled production workers, or anyone else with a knack for organizng and for making things.

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Cir. (D 5,235)

This Clipping From BOSTON, MASS. NEWS BUREAU

# Sees War Freight Moved

ODT Director Johnson, After Meeting With AAR Directors, Confident Railroads Will Handle War Load Without Difficulty

Washington-ODT Director Johnson expressed supreme confidence yesterday that the railroads will handle without any major difficulty all war freight which may be expected.

Col. Johnson made this statement following a meeting with directors of the Association of American Railroads.

One major matter up for consideration at yesterday's meeting, he disclosed, was the prospective change of the major transportation load from the East to the West with the fail of Germany. There is a general feeling that Germany may collapse soon and the Allies then will be able to concentrate their power in the Pacific. This will mean a large increase in the movement westbound of freight. Col. Johnson expressed confidence the railroads could make the change no matter how suddenly the change takes place.

At present time, he said, ton-miles of traffic being handled by the railroads are equal to the 1943 peak of last October. The volume is still growing, but the railroads are handling the traffic with relative ease, he said.

### No Decision On Sleeping-Car Business

AAR spokesman revealed that the question of sleeping-car equipment was discussed at the meeting, but that no conclusions were reached. The Pullman Co., which under court decree must divest itself of the sleeping-car business, has not yet approached the railroads collectively regarding sale of Pullman cars to the carriers.

One AAR official said there were four possible ways in which the aleeping-car problem might be solved. These include creation of a national railroad pool, the establishment of regional rail pools, the purchase of Pullman's care by individual railroads and the entrance of an outsider into the seping-car field. The railroads have made no decisions as to what they will do and specific proposals have yet been brought up for joint action, it was said.

### Future Business Prospects

The railfoad executives discussed at their meeting future business prospects, with particular reference to the changes which may occur when Germany falls. The concensus was that there will be a decline in total freight volume when this occurs, with a fairly heavy decline in the eastern part of the country and an increase in the West. There was some discussion of postwar prospects, it was reported, but no conclusions were arrived at.

There has been an improvement in the railroad manpower situation recently and the railroads generally are better off in this respect than they have been for many months. A total of 65.000 workers has been added to the rail labor force in the past 19 weeks, it was reported. However, the railroads still need 85.000 new workers.



NO APPEAL-Layest development in the Pullman Inc. case is the announcoment by David A Crawford, president, that the company will not appeal the order of the United States District Court, in Philadelphia requir ing Pullman to dispose of either its manufacturing business ot sleeping car business.

The decision not to appeal may be a surprise to some followers of the case, but Mr. Crawford in a leater to stockholders explained it very clearly. The company's directors, he said, were "obliged to recognize that if an appeal were taken, the freedom of choice permitted by the decree would be put in grave jeopardy because the Supreme Court might prefer to adopt the view of the dissenting juke in the district court whow as of the epin ion that no such freedom of choice should be permitted.

"To safeguard this essential freedom, your directors believe that the decision not to appeal is for this reason in the best interests of the corporation, its stockholders and its employees. Moreover, the taking of an appeal would necessarily have prolonged a period of legal uncertainty and would have left the railroad users of sleeping-car service, and the railroad buyers who have been accustomed to look to Puilman-Standard for supplies of both freight and passenger equipment, hampered in their dealings with the Pullman group of companies, both in the immedia's fusure and in the long-range planning of the railroads for the improved railway services wrich they intend to give to America."

Cir. (D 5,235)

This Clipping From BOSTON, MASS. NEWS BUREAU

# Sees War Freight Moved

### ODT Director Johnson, After Meeting With AAR Directors, Confident Railroads Will Handle War Load Without Difficulty

Washington—ODT Director Johnson expressed supreme confidence yesterday that the railroads will handle without any major difficulty all war freight which may be expected.

Col. Johnson made this statement following a meeting with directors of the Association of American Railroads.

One major matter up for consideration at yesterday's meeting, he disclosed, was the prospective change of the major transportation load from the East to the West with the fail of Germany. There is a general feeling that Germany may collapse soon and the Allies then will be able to concentrate their power in the Pacific. This will mean a large increase in the movement westbound of freight. Col. Johnson expressed confidence the railroads could make the change no matter how suddenly the change takes place.

At present time, he said, ton-miles of traffic being handled by the railroads are equal to the 1943 peak of last October. The volume is still growing, but the railroads are handling the traffic with relative ease, he said.

### No Decision On Sleeping-Car Business

AAR spokesman revealed that the question of sleeping-car equipment was discussed at the meeting, but that no conclusions were reached. The Pullman Co., which under court decree must divest itself of the sleeping-car business, has not yet approached the railroads collectively regarding sale of Pullman cars to the carriers.

One AAR official said there were four possible ways in which the sleeping-car problem might be solved. These include creation of an antional railroad pool, the establishment of regional rail pools, the purchase of Pullman's cars by individual railroads and the entrance of an outsider into the sleeping-car field. The railroads have made so decisions as to what they will do and ospecific poposals have yet been brought up for joint action, it was wid

### Future Business Prospects

The railfoad executives discussed at their meeting future business prospects, with particular reference to the changes which may occur when Germany fails. The concensus was that there will be a decline in total freight volume when this occurs, with a fairly heavy decline in the eastern part of the country and an increase in the West. There was some discussions of postwar prospects, it was reported, but no conclusions were arrived at.

There has been an improvement in the railroad manpower situation recently and the railroads generally are better off in this respect than they have been for many months. A total of 65,000 workers has been added to the rail labor force in the past 19 weeks, it was reported. However, the railroads still need 85,000 new workers.

LOUISVILLE, B COURIER-JOURNAL Cir. D. 116,399 - S. L97,856

# JUL 30 1944 • 7,000 PullmansAre Hunting New Company ally, the railroads are the ones to to \$10 in the dreary depression two possibilities open, trast, the to a 1944 high of \$32, currently

Railroads face questions raised by firm's decision to guit sleeping car operation and retain profitable manufacturing job

By CHARLES W. WILLIAMS Professor of Economics, University of Louisville

OWNERSHIP and operation of that by late 1945 the Pullman a great American traveling Company passes into other hands tradition and institution-the and ownership. Pullman car-are about to

change

Federal three-man court decided interesting questions for the com-that the Government was right pany, for the railroads and for and gave it the decision against the traveling public. that the Government, was show the traveling public. and gave it the decision gamma. Who will like over and operate party whose "major subsidiaries the giant pool of Pullman Cars-include The Pullman Company setimated at more than 7.00-operator of the sleeping cars and operating on practically almost other de luxe railway equipant (U. S. Canada and Mexico), such as parlor and club cars) and carrying (last year) about 30 the Pullman Standard Car Mano- per cent of all rail passenger not only the sleeping cars and traffic, operating at 98 per cent most of the luxe passenger of capacity, hauling over two car equipment that runs along muld of the ration to the other, nearly all of American rails, but and doing an aggregate business also largest builder in the world of \$60-75 million a year, \$125 of freight cars-capacity of nearly 80,000 a year).

The Government suit (under millions? the Sherman Anti-Trust Act) Granted that the company is a charged Pullman, Inc., with be-monopoly-what broad public in-ing and mantaining a monopoly, the process? What will be the with charging unreagonable rates, gine (or increase) in properties and with exaction of exclusive gains (or losses) in operating agreements with railway com-efficiency, in public relations, in panies.

#### **Sleeper Service Goes**

The Federal court has decreed that Pullman shall be broken up future of the rail passenger -not in the old-fashioned type of dissolution, but by giving the company the choice of which of the two arms of its business it wishes to retain and operate.

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Who Will Operate Cars?

Such a decree raises some very

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What does the company's choice (in retaining the manufacturing and disposing of the sleeping car business) indicate for the traffic?

### **Carriers May Step In**

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Either way it would involve probable earnings for the whole complex financing on the part of of 1944 are estimated (by Stand-hew operating problems of and part of 1944 are estimated (by Standtaking over of a business that is as highly cyclical as their own.

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Today, with wartime prosperity

goes back to prewar days. Then, goes back to prewar days. Inen, Pullman cars ran at less than half-capacity on the average— and profits ran from 2 to 4 cents per dollar of revenue—surely, no "gold-plated" monopoly, despite operations of more than 95 per cent of all sleeping-car services. Private cars, hotels, tourist homes and wayside cabins, provided a lot of competition. So much so that Pullman grossed only a bit more than \$3.50 per passenger, with high operating expenses eating up most of this.

What about the airlines pecially in the postwar airminded world? Pullman's traffic man-ager avers that the rails have little to fear; that they will lose very little business to the air-lines; that postwar Americans very inthe business to the air-lines; that postwar Americans will be the most travel-intent people in the world. Whether Pullman, Inc., guessed

right on the long-term future remains to be seen. From the current viewpoint, and for the near term, it probably did. In prewar years, sleeping-car revenues pro-vided the bulk of its business, manufacturing operations, the lesser part. From 1932 to 1939, sleeping-car operations grossed more than \$400 million while car manufacturing totaled about \$230 million.

### **Revenue Chart Changes**

Since the war began, the pices formal decision was service pillen Ag anima. and to retain the manufacturing and service, perhaps somewhat while revenues from manufac-in a senvice provide the service of the servi

Incidentally, net profit has totaled, since 1940, some \$36 million. while the company was

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### Pullman's Brain Child

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The sleeping-car began as the the sideping-car begain as the brainchild of a youngster of 24, George M. Pullman, born in up-per New York State in 1831, clerk in a country store (at \$40 per year-none of the Alger stories can beat that). Young Pullman worked seven years as cabinetmaker, saw the westward tide begin, spent long nights on crude trains getting himself out to Chicago-in 1855, a small frontier city of 100,000-and probably en route got the germ of the idea that was to make bin famous. By 1864 he had se-cured U. S. Patent No. 42182-which involved the pull-out seat for the lower berth and the fold-ing, "hinged roof" for the upper both, significantly, basically unchanged to the present day!

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LOUISVILLE, KY. COURIER-JOURNAL Cir. D. 116.399 - S. 197.856

## JUL 301944 • 7,000 PullmansAre Hunting New Company ally, the railroads are the ones to take over-but there are at least two possibilities open: first, the to \$10 in the dreary depression

Railroads face questions raised by firm's decision to quit sleeping car operation and retain profitable manufacturing job

By CHARLES W. WILLIAMS Professor of Economics, University of Louisville

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Source Jul 30, 1944.



Interior of Pullman car in use about 1880.

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### Practical and Fancy

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### **Good Profits Paid**

Profits in the early period ere handsome. The first year, Profits in the task were handsome. The first year, 1867, a \$3 dividend was paid; in the '70's, \$12 to \$19 a year was paid; in the '90's, \$8, together with some stock dividends, was paid; from 1900 to 1926, \$8 per bare, per year was typical. share, per year was typical. Altogether, about 150 per cent in

70 per cent of all new streamlined equipment, most of the de luxe George Pullman's mechanical diners, observation cars and pri-

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## 'G. 1, 1944 / R TLX TELEGRAPH As Others See It

### PULLMAN GEORGE RÉTIRES

That whimsical society devoted to ending the quaint American custom of calling Pullman por ters George may shortly discover that its object tive has been achieved. For it looks as if the business founded by George Pullman will in coming months greatly change its character.

There will be sleeping cars, but they probably won't be operated by Pullman. The company, in the face of a special Philadelphia federal court ruling that continuation of both railway equipment manufacturing and sleeping car operations would be in violation of antitrust laws, has announced it will give up the operating end of its enterprise.

Just how this will be done isn't known yet, but is scheduled to be decided on or before Oct. 5. One proposal is that the railroads buy the sleeping-car business and operate it jointly, much as they do the Railway Express.

The potentiallties here are interesting. Would, for example, the railroads persist in charging higher fares for Pullman tickets if they found (as it often happened in the prewar days) the day coaches packed and the sleepers half empty?

Will new triple deck berths be introduced, and other measures be taken to reduce costs? Or will coach accommodations be lifted to Pullman standards, so that for comfort, convenience, speed, safety and cost the railroads can recapture some of the passengers they lost to private autos and buses before the war, and hold some of the passengers they are in danger of losing to planes after the war?- Christian Science Monitor,

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### Interior of Pullman car in use about 1880.

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Circ. (D 21,037) (S 18,186)

This Clipping From MANSFIELD, OHIO NEWS JOURNAL JUL 3 1 1944

## Historic Name May Change

DULLMAN and "sleeping car" have long been interchangeable terms. They may be so no more. The directors of Pullman, Inc., have announced that the company will try to dispose of its sleeping car business.

This action is taken, they say, "in order to carry out the requirements of the decree entered May 8 in the U.S. district court at Philadelphia in the government's anti-trust suit against the Pullman group of companies."

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Circ. (D 21,037) (S 18,186)

This Clipping From MANSFIELD, OHIO NEWS JOURNAL

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The decision of Pullman, Inc., to remain in the car manufacturing business and to give up its sleeping car operation reflects a judgment on the part of company officials as to which of the two fields holds greater opportunity in the post-war era.

Most readers of this column are aware that the decree in the antitrust suit against the Pullman Co., prescribed that the company, having been found a combination in restraint of trade, would have to surrender either car construction or Pullman car operation.

The question which will immediately confront the railroads is of the operation of sleeping cars in the future. Some of the railroads operate currently their own sleeping and parlor cars, despite the admitted advantage of the arrangement under which Pullman shifts equipment readly from one area to another and makes it available to meet changing needs.

If that feature of the service provided by Pullman is to be retained, it probably will be necessary for the railorads jointly to buy and operate sleeping and parlor cars. If it is not, the several companies will have to provide their own cars and restrict operations pretty closely to their own lines. r

Under the latter arrangement a few of the major systems might be able to retain a large measure of the elasticity afforded by Pullman operation, but the lesser railroads with a small volume of passenger business would operate at serious disadvantage. Very probably it would exclude some from all but the day coach service.

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Whether the decree which forces the Pullman company to choose between car construction and operation is in the public interest is a matter of further determination. To the individual untrained in legalistic thinking it is a little far-fetched to comtend that the construction by a service industry of lis\_own equipment constitutes, or contains the elements of monopoly.

The antitrust activities of the Department of Justice in recent years raise the question whether the motive behind some of them at least was not rather to persecute successful business, as in the Fullman and Associated Press cases, than to enforce the leiter and spirit of the law against combinations in restraint of trade.—Cheverand Plain Dealer.

NORTH ATTLEBORO, MASS. CHRONICLE

## AUG 5 - 1944 PULLMAN'S TURN

ON OCTOBER 5 a major change in a familiar American set-up is scheduled to occur. The Pullman Company on that date is to submit a plan for divorcing its sleeping car and car manufacturing operations. A new court order holds the manner in which this company has operated for threequarters of a century Illegal.

The sleeping car business is operated by the Pullman Company and the manufacturing end by the Pullman Standard Car Manufacturing Company, both being subsidiaries of Pullman, inc.

One possibility is the sale of the sleeping car business to the railroads, with the parent company retaining the manufacturing concern. This would turn over to 139 Class I railroads, 7.66 sleeping cars. There are various methods by which this division of cars could be carried out. It could be made on the basis of average Pullman revenues shown by the various roads. Another plan would distribute the sleeping cars to eastern, western and southern groups, thus permitting the maintenance of car pooling as at present practiced with the nation as a unit.

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### HARRISONBURG, VA. NEWS-RECORD Cir. D. 8.410

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Tacoma (Wn) News Tribune August 5, 1931

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Pullman and sleeping car have long been interchangeable terms. Whether this decision means a change in the historic name remains to be seen. After some early competition from the Wagner manufacturers, Pullman has been alone for a long period. A few railroads, like the Milwaukee, two decades ago ran their own sleeping cars. These gradually gave up, and now Pullman has a monopoly of this business.

Just what will be done remains to be seen. Years ago the government ordered the dissolution of the big Standard Oil company. It was split up into separate companies, to the immense subsequent profit of the stockholders.



Pullman may do the same thing and form another company to operate the sleeping cars which it builds. On the other hand, it may decide to turn the business over to a railroad-owned and operated outfit, just as the railroadowned railway express agency now operates the former express company business for the railroads.



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### ELGIN, ILL., COUR. NEWS Wednesday, July 20, 1944

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### CANONSBURG, PA. NOTES Cir. D. 4.238

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#### Kenosha News Kenosha, Wis.

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# Court Action Raises a Puzzle

222

Forced separation of the Pullman company's manufacturing division from its Pullman car operating division highlights the puzzle of restrictions on transport which has affected transcontinental travel, and thus the fortunes of the West Coast.

Since the government has forced the Pullman company to separate, and get rot either of its manufacturing division or its operating division, and since the government is supposed to act in the interest and for the welfare of the American people—a logical question arises. What possible effect on the welfare of all of us will the

 What possible effect on the welfare of all of us will the dividing of the Pullman company have? Their operating rates are set by government commission, their manufacturing prices are set by competition with other companies.
 Will this new move benefit the people at all? If so, how?
 The chances are it won't make any difference to anybody.

This is not the only puzzling thing about the federal government's attitute toward transport. For years it has been obvious that the people who travel—and shippers as well—might benefit in convenience if in no other way by a through line from coast to coast. As it is now, the traveler must change lines and Pullman care either at chicago or New Orleans, waste time in so doing and usually at some expense.

The government will not allow a through line. Why? There seems no good rcason to oppose it, several good reasons for allowing it. Certainly there are enough lines both in the west and in the east so that agreements or mergers could be allowed to give several competing through lines from coast to coast, so that the need of competition is not the answer. Canada has two through lines.

And railroads may not own steamship,lines, and steamship lines may not own railroads-more may a railroad ine and a steamship line yet together on any other basis. Nor may either own an airline, The government won't allow it. Why not? Carada's Canadian Pacific owns a coast to coast railroad line, a big steamship line and hotels. And the people of Canada seem to get pretty good service out of it, too.

## KNICKERBOCKER NEWS Girc. D. 52,146 AUG - 7 1944

ALBANY, N. Y.

Future of the 'Pullman' Because the Pullman Company not

only operated but built the sleeping cars used in American railroads, the term "pullman" has been applied to the car. It probably will continue, although, under a court decision, the company has decided to stop operating the cars and will simply build them and other vehicles of transportation.

It was forecast here several weeks ago that the railroads probably will take over the sleeping car operation, along with the diners, much as they did the express service. It seems a sensible enough arrangement.

We are interested in that individual who "takes care" of us while traveling via pullman. He is known generically as "George," probably because George Pulman started the service. The whimsical "Society for the Prevention of Calling Sleeping Car Porters George," was started in the '20s but the appellation still persists. For those who enjoyed his ministrations it is well to wish him continuance in an important service.

The railroads have done a grand wartime job and we hope prosperity will stay with them in peace, despite the competition of buses and airlines. There are some current speculations on passenger service relating to sleeping cars. It is known there are plans on the drawing boards, probably further, for three-decker berths, and for an improvement upon the new arrangement, the roomette. There is also discussion of the idea of cheaper travel on a basis of a "dollar for a bed" regardless of length of trip. These are ideas that bear on convenience and comfort and cost, but all come under the head of service.

Peace will be a period of some change in railroading and the "pullman" and "George" and the Average Traveler will all be part of it.

JOURNAL Cir. D. 8.626 ALIG 9 - 194

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Bault Ste Marie, Mich., News

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### ALBANY, N. Y. KNICKERBOCKER NEWS Circ. D. 52,146

## AUG - 7 1944 Future of the "Pullman"

Because the Pullman Company not only operated but built the skeeping cars used in American railroads, the term "pullman" has been applied to the car. It probably will continue, although, under a court decision, the company has decided to stop operating the cars and will simply build them and other vehicles of transportation.

It was forecast here several weeks ago that the railroads probably will take over the sleeping car operation, along with the diners, much as they did the express service. It seems a sensible enough arrangement.

We are interested in that individual who "takes care" of us while traveling via pullman. He is known generically as "George," probably because George Pullman started the service. The whimsical "Society for the Prevention of Calling Sleeping Car Porters George," was started in the "20s but the appellation still persists. For those who enjoyed his ministrations it is well to wish him continuance in an important service.

The railroads have done a grand wartime job and we hope prosperity will stay with them in peace, despite the competition of buses and airlines. There are some current speculations on passenger service relating to sleeping cars. It is known there are plans on the drawing boards, probably further, for three-decker berths, and for an improvement upon the new arrangement, the roomette. There is also discussion of the idea of cheaper travel on a basis of a "dollar for a bed" regardless of length of trip. These are ideas that bear on convenience and comfort and cost, but all come under the head of service.

Peace will be a period of some change in railroading and the "pullman" and "George" and the Average Traveler will all be part of it.

### ITHACA, N. Y. JOURNAL Cir. D. 8,626

### AUG 9 - 1944 Future of the Pullman

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Peace will be a period of some change in railroading and the "pullman" and "George" and the Average Traveler will all be part of it.

Bault Ste Mi. . . . . . . . . . .

## Pullman's Turn

On October 5 a major change in a familiar American set-up is scheduled to occur. The Pullman Company on that date is to submit a plan for divorcing its sleeping car and car manufacturing operations. A new court order holds the manner in which this company has operated for three-quarters of a century illegal.

The sleeping car business is operated by the Pullman Company and the maufacturing end by the Pullman Standard Car Manufacturing Company, both being subsidiaries of Pullman Inc.

One possibility is the sale of the sleeping car business to the railroads, with the parent company retaining the manufacturing concern. This would turn over to 138 Class 1 railroads, 7,768 sleeping cars. There are various methods by which this division of cars could be carried out. It could be made on various roads. Another plan would distribute the basis of average Puilman revenues shown by the sleeping cars to eastern, western and southern proups, thus permitting the maintcance of car pooling as at present practiced with the nation as a unit.

The cars may be sold to individual railroads, but the roads do not appear enthusiastic about this plan, contending that it would compel individual roads to buy additional cars to meet peak traffic demands, leaving idle cars standing in yards in slack sessons.

This Clipping From FRAMINGHAM, MASS. NEWS

# 10G L 0 1088

### **Pullman's Turn**

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## NILES, O. TIMES Cir. D. 3.968 AUG 1 2 1943 EDITORIAL

## Pullman's Turn

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### WAUKEGAN, ILL. NEWS-SUN Anutoudy, Aug. 10, 1944

### PULLMAN'S TURN

American set-up is scheduled to occur. The unit. Pullman Company on that date is to submit a plan-for divorcing its sleeping car and car roads, but the roads do not appear enthusimanufacturing operations. A new court or- astic about this plan, contending that it der holds the manner in which this com- would compel individual roads to buy addipany has operated for three-quarters of a tional cars to meet peak traffic demands, century illegal.

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Circ. (D 5.918)

This Clipping From FRAMINGHAM, MASS. NEWS

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## NILES. O. TIMES Cir. D. 3.968 AUG 1 2 19:5 TORIAL

## Pullman's Turn

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The sleeping car business is operated by the Pullman company and the manufacturing end by the Pullman Standard Car Manufacturing company, both being subsidiaries of Pullman incorporated.

One possibility is the sale of the sleeping ear business to the railroads, with the parent company retaining the manufacturing concern. This would turn over to 139 class one railroads, 7.766 sleeping ears. There are various methods by which this division of cars eould be carried out. It could be made on the basis of average Pullman revenues shown by the various roads. Another plan would distribute the sleeping cars to eastern, western and southern groups, thus permitting the maintenance of car pooling as at present practiced with the nation as a unit.

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### WAUKEGAN ILL. NEWS-SUN

PULLMAN'S TURN

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The cars may be sold to individual railleaving idle cars standing in yards in slack Cir. (D 19,314)

This Clipping From GREENVILLE, S. C. PIEDMONT

### AUC15 1944

## **Pullman Seeking** To Sell Cars To U. S. Railroads

CHICAGO, Aug. 15-(U.R)-The Pullman company has begun nego-tlations for the sale of its sleeping car business to the railroads, David A. Crawford, president, disclosed today in reporting a decline of two

cents a share in earnings for the initial half of 1944. Puliman has offered prospective purchasers of its sleeping car busi-ness an opportunity also to acquire the "control opportunity also to acquire the "going, experienced organiza-tion" which now operates the busi-ness, Crawford declared.

Sale of the company's sleeping car business is being consummated un-der terms of a federal court decree entered last May 8 which directed the concern to dispose of either its sleeping car service or its manufacsubsidiary turing

turing subsidiery. • Purchase of the company's oper-ating organization. Crawford ex-plained, would assure purchasers of the steeping car business effective maintenance of the "pool system of steeping car service which the court. found to be desirable in the public, interest and to the economic public. advantage of the railroads. . .

Circ. (D 16,438)

This Clipping From HARRISBURG, PA. PATRIOT

### AUG 14 1944

# PULLMAN TO SELL SLEEPERS TO RRS. Chicago, Aug. 13 (INS).—Puliman Incorporated tonight revealed that

it is opening negotiations for sale of its sleeping car business to the railroads.

The announcement was made in the second quarter statement to stockhoiders of Pullman.

Sale of the sieeping car business is in accordance with provisions of Federal Court decree requiring Pullman to dispose of either the sleeping car business or manufacturing business,

Under the sale offer, prospective purchasers would be given the opportunity also to acquire the "going, experienced organization" which experienced organization" operates the centralized pool of sieeping cars.

"This would assure maintenance of . . . sieeping car service which the court in effect found to be desirable in the public interest and to the economic advantage of the rail-roads," the statement said. Cir. (D 2,920)

This Clipping From HUDSON, N. Y. REGISTER

### AUG 1 4 Maa

## **PULLMAN COMPANY IS SELLING CARS**

CHICAGO, Aug. 14. (P)—The Pull-man company is opening negotiations to call of its meeping car business to the railroads, D. A. Crawford, presi-dent, said yesterday in a second quarter statement to stockholders of Pullman, Inc

rumman is working out the proposal in accordance with provisions of a court decree requiring it to dispose either of its sleeping ear or manufac-turing buşiness. Under the plan, Crawford suid, prospective purchasers would be given an opportunity also to acquire "the going, experienced organ-ization" which operates the centralized pool of sleeping cars. Pullman is working out the proposal pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping car service which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads, as well as maintenance of the high standards of travel service created by the Pullman company in its more than three-quarters of a century ac-tivity in this business," Crawford said

Cir. (D 5,854)

### This Clipping From LITTLE FALLS, N. Y. TIMES

## AUG 1 4 1944 PULLMAN WANTS TO SELL SLEEPING CARS TO RAILS

Chicago, Aug. 14-The Pullm Co. is opening negotiations for stie of its sleeping car business to the railroads, D. A. Crawford, president of Puliman, Inc. disclosed in a setter to stockholders.

Puliman is working out the proposal in accordance with provisions of a court decree requiring t to dispose either of its sleeping car or manufacturing business. Under the pian, Mr. Crawford said, prospective purchasers would be given an opportunity also to acquire "the going, experienced organization" which operates the centralized pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping car service, which the court in effect found to be desirable in the public interest and to the economic advaninterest and to the contain advan-tage of the railroads, as well as maintenance of the high standards of travel service created by the Puli-man Co. in its more than three quarters of a century of activity in this business," Mr.. Crawford said. "Such an agreement would also permit continuance of that mobility of cars, equipment, supplies and per-sonnel which are necessary to meet sonner which are necessary to meet the fluctuating demands engendered by the seasonal ebbs and flows of sleeping car travel thro'out the country." Circ. (D 4.205)

This Clipping From ANDERSON, S. C. DAILY MAIL

## AUG 1 4 1944 Pullman To Sell Its Car Business

CHICAGO, Aug. 14-(INS)-Puliman Inc. tonight revealed that it is opening negotiations for sale of its sleeping car business to the railroads

portunity also to acquire the go-ing, experienced organization which operates the centralized pool of steeping cars. "This would assure menitenance destruction and the public interest and railroads," the statement said. "The statement showed Pullmay.

The railroads," the statement said. The statement showed Pullman, Inc. had a net income for the first haif of 1944 of 43.328.005, com-pared with \$4,500.323 in the same period of 1945. The decime was reported due to termination late in 1943 of certain war contracts on which the corporation's subsidiaries had been working.

Cir. (D 19.314)

This Clipping From GREENVILLE, S. C. PIEDMONT

### A 15 941

## Pullman Seeking To Sell Cars To U. S. Railroads

CHICAGO, Aug. 15-0 R-The Pullman company has begun negotlations for the sale of its sleeping car business to the railroads. David A. Crawford, president, disclosed today in reporting a decline of two

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ness an opportunity also to acquire the "going, experienced organiza-tion" which now operates the busi-ness, Cravitord declared. Sale of the company's skeeping car busness is being consummated un-der terms of a fedoral court decree entered last May & which directed the concern to dispose of either its sheaping encerements of its manufact. sleeping car service or its manufac-turing subsidiary.

Purchase of the company's oper-ating organization, Crawford exating organization, Crawford ex-plained, would assure purchasers of the sleeping car business effective maintenance of the "pool system of sleeping car service which the court found to be desirable in the public interest and to the economic dvantage of the railroads.

Circ. (D 16,438)

### This Clipping From HARRISBURG, PA. PATRIOT

AUG 1 4 1944

### PULLMAN TO SELL SLEEPERS TO RRS.

Chicago, Aug. 13 (INS) .- Pullman Incorporated tonight revealed that it is opening negotiations for sale of its sleeping car business to the railroads

The announcement was made in the second quarter statement to stockholders of Pullman.

Sale of the sleeping car business is in accordance with provisions of a Federal Court decree requiring Puliman to dispose of either the sleeping car business or manufacturing business,

Under the sale offer, prospective purchasels would be given the opportunity also to acquire the "going, experienced organization" which operates the centralized pool of sleeping cars.

"This would assure maintenance of . . , sleeping car service which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads," the statement said.

Cir. (D 2,920)

### This Clipping From HUDSON, N. Y. REGISTER

## AUG I

## PULLMAN COMPANY **IS SELLING CARS**

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Pullman is working out the proposal in accordance with provisions of a court decree requiring it to dispose either of its sleeping car or manufac-turing business. Under the plan, Crawford said, prospective purchasers would be given an opportunity also to acquire "the going, experienced organ-ization" which operates the centralized pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping car service which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads, as well as maintenance of the high standards of travel service created by the Puilman company in its more than three-quarters of a century ac-tivity in this business." Crawford said

Cir. (D 5.854)

### This Clipping From LITTLE FALLS, N. Y. TIMES

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"This would assure maintenance of the pool system of sleeping car service, which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads, as well as maintenance of the high standards of travel service created by the Puliman Co. in its more than three quarters of a century of activity in this business," Mr., Crawford said. "Such an agreement would also permit continuance of that mobility of cars, equipment, supplies and personnel which are necessary to meet the fluctuating demands engendered by the seasonal ebbs and flows of sleeping car travei thro'out the country.

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reported due to termination late in 1943 of certain war contracts on which the corporation's subsidiaries had been working.

Cir. (D 17,235) (S 37,313)

This Clipping From ASHEVILLE, N. C. TIMES

# AUG 1 4 1944 Pullman Will Sell Sleeping \$172.630,017 on the corresponding date in 1930. The increase in cur-

CHICAGO, Aug. 14 .- (UP)-The Puliman company has begun negowhile of its sieeping car business to the railroads, David Crawford, president, disclosed today in reporting a decline of two cents a share in earnings for the initial haif of 1944.

Puilman has offered prospective purchasers of its sleeping car business an opportunity also to acquire the "going, experienced organiza-tion" which now operates the business, Crawford declared,

Under Court Order

Sale of the company's sleeping car business is being consummated under terms of a federai court de-cree entered iast May 8 which directed the concern to dispose of either its sleeping car service or its manufacturing subsidiary. Purchase of the company's oper-

ating organization, Crawford explained, would assure purchasers of the sleeping car business effective maintenance of the "pooi system of sleeping car service which the court found to be desirable in the pubiic interest and to the economic advantages of the railroad ....

Also, it would assure the public of maintenance of "the high standards of travel service created by the Puilman company in its more than three-quarters of a century of activity in this business." Crawford added

Crawford informed stockholders that "every effort will of course be made to protect stockhoiders' interests in any pian of separation that may be submitted on or before the required Oct. 5 date for approval of the federal district court."

### Net Income Drops

For the first haif of 1944 the company's net income dropped to \$4,328.005 or \$1.34 a share on common stock, from \$4,500.323 or \$1.56 a share in the corresponding period of jast year.

Gross income for the haif year \$166.579,974, compared **W88** with \$214,281,913 in 1943. Federal taxes paid in the first six months of 1944 amounted to \$14.529,531, compared with \$21,591,388 in the corresponding period of last year.

In the second quarter of this ear the company's net income was \$1.076.795, or 64 cents a share, compared with \$2.466.472, or 75 cents, in the year-ago period.

The report explained that results of the quarter and half year for both 1943 and 1944 are "subject to renegotiation of prices on arma-ment shipments."

As of June 30 this year, the company's current assets amounted to \$195,495,214, compared with \$172.630,017 on the corresponding rent assets reflected a rise in cash Car Business and U. S. government securities to \$86,703,346 from \$61,073,977 and an advance in cost of inventories to \$33.065.067 from \$31,961.466.

> Circ. (D 455,825) (S 788,544) This Clipping From NEW YORK, N. Y. TIMES

## · AUG 1 4 1944

# PULLMAN STARTS SALE NEGOTIATIONS

## Car Service to Train Users Under Court Decree

Negotiations for the saie of its sleeping car business to the railroad users of that service have current assets of \$195,495,214 and been opened by Puilman, Inc., ac- current liablities of \$88,270,658, been opened by Puilman, Inc., ac- current itabilities of \$38,27(0,505, cording to D. A. Crawford, presi-dent, in a letter accompanying the report for the first half of 1944. The company said that the de-

the proposal, which Pullman is fleeted primarily the termination working out in accordance with jate in 1943 of certain war con-tracts on which the company's the provisions of a court decree requiring it to dianage of their its manufacturing subsidiary had been requiring it to dispose of either its working. sieeping-car business or manufacturing division, the prospective purchasers also would receive the opportunity to acquire the "going experienced organization" that operates the centralized pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping-car service, which the court in effect found to be desirable in the public interest and to the economic advantage of the raliroads, as well as the maintenance of the high standard of travel service created by the Puilman Company in its more than three-quarters of a century activity in the business," Mr. Crawford said.

"Such an arrangement would permit continuance of that mobility of cars, equipment, suppiles and personnel which are necessary to meet the fluctuating demands engendered by the sea-sonal ebbs and flows of sleepingcar travei throughout the countr

"Every effort, of course, will be made to protect stockholders' interests in any plan of separation that may be submitted, on or be-fore the required Oct. 5 date, for approval by the Federal District Court."

Seeks to Dispose of Sleeping solidated net income of \$4,328,005 after charges and taxes, equai to \$1.34 a share on the capital stock outstanding, compared with \$4,500,-323, or \$1.36 a share, in the similar period of 1943. Gross income was \$166,579,974, compared with \$214,-281,913.

Baiance sheet on June 30 shows

Mr. Crawford said that, under cline in gross income this year



Cir. (D 17.235) (\$ 37.313)

This Clipping From ASHEVILLE, N. C. TIMES

# AUG 1 4 1944 Pullman Will Sell Sleeping

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Pullman has offered prospective purchasers of its sleeping car business an opportunity also to acquire the "going, experienced organiza-tion" which now operates the business, Crawford declared,

### Under Court Order

Sale of the company's sleeping car business is being consummated under terms of a federal court decree entered last May 8 which directed the concern to dispose of either its sleeping car service or its manufacturing subsidiary,

Purchase of the company's operating organization. Crawford explained, would assure purchasers of the sleeping car business effective maintenance of the "pool system of sleening car service which the court found to be desirable in the public interest and to the economic ad-

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Gross income for the half year was \$166,579,974, compared with \$214,281,913 In 1943. Federal taxes paid in the first six months of 1944 amounted to \$14.529,531, compared with \$21,591,388 in the corresponding period of last year.

In the second quarter of this year the company's net income was 31.676.795, or 64 cents a share, compared with \$2.466.472, or 75 cents. in the year-ago period.

The report explained that results of the quarter and half year for both 1913 and 1944 are "subject to renegotiation of prices on armament shipments.

As of June 30 this year, the company's current assets amounted to \$195,495.214, compared with \$172,639,017 on the corresponding date in 1930. The increase in current assets reflected a rise in cash Car Business and U. S. government securities 10 advance in cost of inventories to \$33,065,067 from \$31,961,466



This Clipping From NEW YORK, N. Y. TIMES

AUG 1 4 1944

# PULLMAN STARTS

## Car Service to Train Users Under Court Decree

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requiring it to dispose of either its working. sleeping-car business or manufacturing division, the prospective purchasers also would receive the opportunity to acquire the "going experienced organization" that operates the centralized pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping-car service, which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads, as well as the maintenance of the high standard of travel service created by the Pullman Company in its more than three-quarters of a cen-tury activity in the business," Mr Crawford said.

"Such an arrangement also would permit continuance of that mobility of cars, equipment, supplies and personnel which are necessary to meet the fluctuating demands engendered by the sea-sonal ebbs and flows of sleepingcar travel throughout the country.

"Every effort, of course, will be made to protect stockholders' interests in any plan of separation that may be submitted, on or be-fore the required Oct. 5 date, for SALE NEGOTIATIONS fore the required Oct. 5 date, for approval by the Federal District Court."

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Circ. (D 28.318)

This Clipping From NEW YORK, N. Y. MORNING WALL ST. JOURNAL

# AUG 1 4 1944 Pullman Moves To Sell Sleeping Car Business

Opens Negotiations With Railroads to Dispose of Unit. **Crawford Savs** 

Would Include Pool System

From THE WALL STREET JOURNAL Chicago Bureau CHICAGO-The Pullman Co. is opening negotiations for the sale of its sleeping car business to the railroads, D. A. Crawford, president of Pullman, Inc., disclosed in a letter to stockholders.

Pullman is working out the proposal in accordance with provisions of a court decree requiring it to dispose either of its sleeping car or manufacturing business. Under the plan, Mr. Crawford said, prospective purchasers would be given an opportunity also to acquire "the going, experienced organization" which operates the centralized pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping car service, which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads, as well as maintenance of the high standards of travel service created by the Pullman Co. in its more than three quarters of a century of activity in this business," Mr. Crawford said. "Such an agreement would also permit continuance of that mobility of cars, equipment, supplies and personnel which are necessary to meet the fluctuating demands engendered by the seasonal ebbs and flows of sleeping car travel throughout the country."

Pullman Co.'s report of sleeping car operations for June and six months:

	1944	1943	1942
June gross .		\$9,799,640	\$7,491,546
Net after tax, etc.	571.181	396 537	667 435
Six months grou		56,493,687	42,797,621
Net after taxaeto	3,157,530	2.833.267	3.747.233
Pullman I	ncorporated	and subsid	lieries re-

port for six months ended June 30:

Earned per shore	11944	1943
Gross inco. from all sources1	66 579 974	214.251.913
Payments to railroads	13,942,211	14,151,638
Expenses1		167.565.432
Depreciation	6.502.834	6.443.132
*Federal taxes on income	13.331.943	19,717,281
Res post-war adjustments	1.197.588	1,574,107
Net income		\$4,500,323
Dividends	3.231.769	3.302.945
Surpius	\$1.096,236	\$1,197,375
Quarter ended June 30;		

1943 \$.75 Earned per share 11944 11944 Net income 2076,735 2466 "After dedicting \$1.197.555 post-war refund in and \$1.574.107 in 1963. fsubject to renervoitation.

Balance sheet items of Pullman Inc. and subsidiaries follow:

		June 30 '43
Tota' assets	\$305.573.448	\$307.568.520
Cash & U. S. Govt securities	\$6,703.546	61.073.977
U. S. Treasury tax noter	. 19 942.000	32,755,000
Other mark securities at cost	579 072	*731.305
Inventories	33,065,067	31,961,446
Current assets	. 195.495.214	172 630.017
Current liabilities	85,270,655	78,777.396
Reserves	23.596 799	18,868,305
Surplus		49.704.645
Number capital shares	. 3.229.897	3,302,897
TAfter reserva.		

#### Milwaukee Journal Milwaukee, Wis.

AUG:1 4 1900

# Pullman Is Seeking to Sell 91 Car Business to Railroads

Chicago, III-478-The Pulliana Co. ing, experienced or g an iz a ti on" is opening negotiations for sale of which operates the centralized pool its aleeping are business to be trail-of sleeping cars. Toads, D. A. Crawford, president, "This would assure maintenance said Monday in a second quarter of the pol system of sleeping car in the second state of the polystem of sleeping cars. Possil an cordinace with provisions interest and to the economic advan-or a court decree requiring it to dis- tage of the railroads, as well as manufacturing business. Under the of travel service or the taff is sale manufacturing business. Under the of travel service created by the Full-purchasters would be given an op-quarters of a century of a devilvity in portunity also to acquire "the go-this business," Crawford said.

Circ. (D 47,350) (5 41,001)

This Clipping From KNOXVILLE. TENN. JOURNAL

## AUG 1 4 1944 **Negotiations Under Way For** Sale Of Pullman Business

CHICAGO, Aug. 13 (INS)- facturing business. Pullman Inc. tonight revealed that it is opening negotiations for sale purchasers would be given the railroads.

the second quarter statement to pool of sleeping cars. stockholders of Pullman.

the sleeping car business or manu- railroads," the statement said-

100

of its sleeping car business to the opportunity also to acquire the ilroads. "going, experienced organization" The announcement was made in which operates the centralized

"This would assure maintenance Sale of the sleeping car business of. . .sleeping car service which is in accordance with provisions the court in effect found to be deof a Federal Court decree requir- sirable in the public interest and ing Pullman to dispose of either to the economic advantage of the Circ. (D 28,318)

This Clipping From NEW YORK, N. Y. MORNING WALL ST. JOURNAL

AUG 1 4 1944 Pullman Moves To Sell Sleeping Car Business

## Opens Negotiations With Railroads to Dispose of Unit. Crawford Says

Would Include Pool System

From THE WALL STREET JOURAL Chicago Burea. CHICAGO-The Pullman Co. is opening negotiations for the sale of its sleeping car business to the railroads, D. A. Crawford, president of Pullman, Inc., disclosed in # letter to stockholders.

Pullman is working out the proposal i accordance with provisions of a court decrrequiring it to dispose either of its sleepin; car or manufacturing business Under th plan. Mr. Crawford said, prospective purchasers would be given an opportunity also to acquire "the going, experienced organiz; tion" which operates the centralized pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping car service, which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads, as well as maintenance of the high standards of travel service created by the Pullman Co. in its more than three quarters of a century of activit; in this business," Mr. Crawford said. "Such an agreement would also permit continuance of that mobility of cars, equipment, supplieand personnel which are necessary to meet the fluctuating demands engendered by the seasonal ebbs and flows of sleeping car trave: throughout the country."

Pullman Co.'s report of sleeping car operations for June and six months

1944	1941	1942
\$11.256 015	\$9 799 640	\$7,491 916
	396 537	667.493
A5,905,570	36 492 687	42 797.621
3,157,530	2.833.267	3.747.232
ncorporated	and subsid	mines re-
nonths ende	d June 30:	
	1944 \$11.256 015 571.181 \$65,905.570 3.157,530 hcorporated	

Earned per shore	1944	11943
Gross inco from all sources .1	170 072 88	214 251.91.
Payments to railroada	13 942 211	11111675
Expenses	27.277.303	167 365 133
Depreciation	6.302.834	6 443 13
*Federal taxes on income	13 331 943	19.717.251
Rea post-war adjustments	1.197.588	1.574.107
Net income	\$1.325.005	\$1,500.323
Dividends	3.231.769	3,302 945
Surplus	\$1.096.236	\$1,197,375
Quarter ended June 30:		
	1944	+1943

Balance sheet items of Pullman Inc. and subsidiaries follow:

		Jun# 30 '43
Tota' assets	\$305.373 448	5307 565 520
Cash & U & Govt securities		61 073 977
C 8 Tressury tax note:	. 19 942.000	32 755.000
Other mark securities at cost	579.072	*731 308
Invento; (ex	33 065 067	31 981 446
Current assets	. 195.495.214	172 630.017
Current liabilities	. \$5 270,655	75 777.396
Reserves	23.396 799	15 585 305
Surplus	49.010.408	49 704 645
Number capital shares	. 3.229,897	3,302 897
tAfter reserve.		

#### Milwaukee Journal Milwaukee, Wis.

# Pullman Is Seeking to Sell **41** Car Business to Railroads

its sleeping car business to the rail-roads, D. A. Crawford, president, said Monday in a second quarter of the pool system of sleeping car statement to stockholders.

of a court decree requiring it to dis-tage of the railroads, as well as

Chicago, Ill.-(P)-The Pullman Co. ling, experienced or ganlzation" is opening negotiations for sale of which operates the centralized pool

Pullman is working out the pro-found to be desirable in the public or a coint decree requiring it to use lage of the rainback, as well as powe either of its sleeping car or maintenance of the high standards manufacturing business. Under the of travel service created by the Pull-plan. Crawford said, prospective man Co. in its more than three purchasers would be given an op-quarters of a century of activity in portunity also to acquire "the goo-this business". Crawford said.

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"This would assure maintenance Sale of the sleeping car business of. . sleeping car service which is in accordance with provisions the court in effect found to be deof a Federal Court decree requir- sirable in the public interest and ing Pullman to dispose of either to the economic advantage of the This Clipping From MACON, GA. NEWS

# AUC 1 5 1944 Pullman Company to Sell **Sleeping Car Business**

man company has begun negotlations for the sale of its sleeping car business to the railroads. Da-

runnan has othered prospective purchasers of its sleeping car busi-ness an opportunity also to acquire the "going, experienced organiza-tion" which now operates the busi-ness, Crawford declared.

SALE OF THE company's steer-ind of last year. a share in the corresponding pe-ried of last year. court decree entered last May 8 \$214,281,013 in 1943. Federal taxes which directed the concern to dis-pervice or its manufacturing sub-service or its manufacturing sub-service

sidiary. Purchase of the company's op-erating organization, Crawford ex-plained, would assure purchasers of the sleeping car business effective maintenance of the "pool sys-tem of sleeping car service which the court found to be desirable in the public interest and to the eco-nomic advantage of the railroads."

ALSO, IT WOULD assure the public of maintenance of "the high standards of travel service created by the Pullman company in its

### ATTC. 16, 1944

E ROCK ARK. GAZETTE With Pullman No Longer

Running Pullmans.

There may have been nation-wide lifting of eyebrows as reflex from something approaching a shock when a Chicago dispatch said the Puilman Company is opening negotiations for the sale of its sleeping car business to the railroads. The public would get much the same reaction from Pull- wheels a month. The Michigan City, man's going out of the sleeping car Ind., plant has the same capacity in business that it would get if Stand- freight cars and wheels and Pullman ard Oil went out of the oil and gasoline business

Pullman did not stay wholly in the business of operating sleeping cars. bringing this revolutionary change, It branched out into building cars for railroads. It operates practically all the sieepers and luxury cars in the quiring Pullman to dispose either of United States and Mexico and part its sleeping car business or its manuof those in Canada-7,200 sleepers facturing business. The Pullman and 960 parlor cars and the remainder people decided to give up the sieepother types, including 22 private cars ers, but that inspired cabinet maker for special parties. But a Chicago George M. Pullman is spared the plant of the Pullman interests has a capacity of 150 passenger cars and 1.083 freight cars and 15.000 car

CHICAGO, [UP]-The Pull- more than three-quarters of a cen-Crawford added.

Crawford informed stockholders that Car Dusiness to the fail/Gaus,  $D^{ac}$  (hat "every effort will or course vid A. Crawford, president, dis- be made to protect stockholders' closed today in reporting a de-interests in any plan of separation cline of two cents a share in earn-for the initial half of 1944, approval of the Federal district "between the difference function of the Federal district "between the difference function".

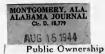
For the first half of 1944 the company's net income dropped to \$4,328,005 or \$1.34 a share on com-mon stock, from \$4,500,323 or \$1.36

corresponding period of last year,

has wheel foundries at New Orleans. La., and Houston, Tex.

It's the federal government that is with its laws regulating business. The government got a court decree re-

shock. He has passed from the scene of his great achievements and the realm where his name will always ride the rails.



Up in Chicago municipal ownership of a utility has taken on entirely new respectability. It seems that the city's surface and elevated lines are offcred for sale to the public and the proposal is endorsed by every great banking and financial house in the city as well as most of those in the East. It is not stated whether the imminched of new methods of transportation has anything to do with this desire of the stockholders to unload their surface and elevated lines on the. public, but there is a great change of heart in the attitude of utility sceurity holders on the subject since the days of Sam Insull.

There is a similar development in the proposed disposal of the cars and equipment of the Pullman company. Some time ago the courts ruled that the Pullman company was a monopoly and could not engage both in the manufacture of Pullman cars and the operation of Pullman cars all over the United States. They were told that the company must dispose either of the cars or get out of the manufacturing business. The company has elected to continue manufacturing and is now offering all of its existing cars for sale to the railroads which move them.

The railroads are not too eager to take them on. It seems that new inventions have done much to make the present Puliman cars antiquated and that when the war is over the sleeping car will be a very different thing from what we have been used to. From the standpoint of the owner of a Pullman car, therefore, it would be good business to sell out while the selling is good.

It used to be called socialism when anyone urged public ownership of utilities. Now that so many of the former critics of the system are trying to sell something to the public, the Chicago Daily News refers to it as "socialite socialism. The financial angle naturally has its influence.

101

This Clipping From MACON. GA. NEWS

# Pullman Company to Sell **Sleeping Car Business**

tions for the sale of its sleeping car business to the railroads, Da- that "every effort will of course vid A. Crawford, president, dis- be made to protect stockholders closed today in reporting a de- interests in any plan of separation cline of two cents a share in earnings for the initial half of 1944

Pullman has offered prospective purchasers of its sleeping car business an opportunity also to acquire the "going, experienced organiza-tion" which now operates the business, Crawford declared.

SALE OF THE company's siccping car business is being consum-mated under terms of a federal court decree entered last May 8 which directed the concern to dis-pose of either its sleeping car service or its manufacturing subsidiary. Purchase of the company's op-

erating organization, Crawford explained, would assure purchasers of the sleeping car business effective maintenance of the "pool sys-tem of sleeping car service which the court found to be desirable in the public interest and to the eco-nomic advantage of the railroads."

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## TETTE

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CHICAGO, (UP)-The Pull- more than three-quarters of a con-man company has begun negotia- ury of activity in this business," Crawford added.

Crawford informed stockholders that may be submitted on or be-fore the required Oct. 5 date for approval of the Federal district court."

For the first half of 1944 the company's net income dropped to \$4,328,005 or \$1.34 a share on com-mon stock, from \$4,500,323 or \$1.36 a share in the corresponding period of last year.

Gross income for the half year was \$166,579,974, compared with \$214,281,913 in 1943. Federal taxes paid in the first six months of 1944 amounted to \$14,529,531, compared with \$21,591,388 in the corresponding period of last year.

has wheel foundries at New Orieans. La., and Houston, Tex.

It's the federal government that is with its laws regulating business. The

shock. He has passed from the scene of his great achievements and the reaim where his name will always ride the rails

## MONTGOMERY, ALA ALABAMA JOURNAL Cir. D. 15,779 AUG 1-5 1944

### Public Ownership

Up in Chicago municipal ownership of a utility has taken on entirely new respectability. It seems that the city's surface and elevated lines are offered for sale to the public and the proposal is endorsed by every great banking and financial house in the city as well as most of those in the East. It is not stated whether the imminence of new methods of transportation has anything to do with this desire of the stockholders to unload their surface and clevated lines on the public, but there is a great change of heart in the attitude of utility security holders on the subject since the days of Sam Insuil.

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101

AUG 17 1944-Many Roads Plan To Buy Pullmans. **Objecting to Pool** 

NEW YORK, N.Y. WORLD-TELEGRAM Circ. D. 434,603 - Sat. 337,198

Of Exchanging Cars government's antitrust suit. **During Vacations** 

By ROBERT R. HASLETT, World-Telegram Financial Writer.

Many of the rallroads are planing to operate their own sleeping and chair cars after Pullman, Inc., disposes, of that end of its busi-ness in conformance with the court order directing the company to limit its activities to either the manufacturing or service end of its business, it was learned here today.

The proposal that the railroads co-operative company, form a similar to the American Express Agency, to take over Pullman's sleeping car business is meeting with little encouragement, it was indicated. There is some talk of three regional pools being formed, each operating independently in Eastern, Southern and Western territories, but the present outlook. is that each of the roads will buy outright the sleeping and parlor cars they need and operate them as part of their regular passenger equipment.

## Uses About 8000 Cars.

Pullman at present 1s operating between 8000 and 9000 cars. Many of them are old and outmoded, and the stress of war traffic is beginning to show on many more. By the time the war ends rall-road men feel the number of cars still serviceable could easily be absorbed by the carriers and used to advantage until the new and more up-to-date equipment can be secured.

Under the single ownership plan, it is contended, roads like Central, Pennsylvania, New Haven and some transcontinental lines would have little difficulty in using a fixed number of sleeping cars for their regular overnight run schedules

Lines like Seaboard and Atlantic Coast Line, with highly seasonal winter demand, might have a big surplus of sleepers during summer months, but it is believed such roads could then make arrangements to farm out their surplus cars to Northern and Western roads enjoying a high volume of long-distance vacation travel. No Details Given.

This exchange of sleepers could be made between individual roads. or through the agency of the Assn. of American Rallroads, which through its car service division of now supervises the exchange of

surplus boxcars to roads moving seasonal freight, such as grain and farm products.

Pullman announced this week it was working on a plan to dispose of its sleeping cars to the rall-roads, but no details were anroads, but no details were an-nounced, and it is understood on good authority that the matter still is decledly up in the air. The company has until Oct. 5 to file its plan with the Federal Some, However, Talk Court in Philadelphia, which or ests after hearing testimony in the

Circ. (D 234,202)

This Clipping From PITTSBURGH, PA. POST-GAZETTE

## AUG 1.8 1944 **Rivalry of Railroads Detailed to Senators**

## **Authority Denies Monopoly Charges** Made by Biddle

competition" exists within the industry and between railroads and other forms of transportation."

other forms of transportation." that are satisfactory." Fletcher referred to public tater satisfactory." Later Fletcher said that the statements made by Attorney carriers may assume operation General Biddle and his assistant, of the Pullmae Company's sleep-Wendell Berge, criticizing rate-making methods and other railroad practices. Biddle in a speech at Spokane spoke of an impend-ing anti-trust action against western carriers.

to be found any sentiment that the transportation business of this country should be forced backward half a century to the days when rates were made 'in the dark' under competitive pres-sures with the biggest shipper to be found any sentiment that wielding the biggest club and getting the lowest rate

### Small Shippers Protected

"Least of all can there be found sentiment for any such change among the smaller shippers, whose rights and interests the present system protects."

Fletcher's remarks were made to the Senate military subcommittee on war mobilization. He outlined research steps being taken by the Association of American Railroads to develop

postwar utility and improvements of rail services. Fletcher said the association was spending \$300,000 in such research work.

Admitting that railroad con-sultive committees establish rail WASHINGTON, Aug 17.—(A) aultive committees establish rail WASHINGTON, Aug 17.—(A) autic changes, which are appeal-Answering charges of monopo- table to the Pietcher state Compare-lisic practices recently made the Discher state Compare-pietcher, vice president of the trively fev of the actual changes. Association of American Rail-The fact that few are carried and state Sonate committee. The vice verse, he said, is "an Association a Senate committee to ICC for review, he said, is "an today "most active and intense indication of the extent to which shippers and railroads . . . are able to reach rate adjustments

ing car facilities in effectuating ing car racinties in errectuating the Philadelphia federal court order requiring the company to dispose either of its manufactur-ing business or its operating business. He added that the Pullman "Nowhere except among the ness. He added that the fullman employes of the Department of October 5 that it would retain its Justice," Fletcher said, "is there manufacturing business. manufacturing business.



NEW YORK, N.Y. WORLD-TELEGRAM Circ. D. 434,603 - Sat, 337,198

## AUG 17-1964-Many Roads Plan To Buy Pullmans, **Objecting to Pool**

Of Exchanging Cars government's antitrust suit. **During Vacations** 

By ROBERT R. HASLETT. World-Telegram Financial Writer.

Many of the railroads are planning to operate their own sleeping and chair cars after Pullman, Inc., disposes of that end of its busi-ness in conformance with the court order directing the company to limit its activities to either the manufacturing or service end of its business, it was learned here today.

The proposal that the railroads form a co-operative company, similar to the American Express Agency, to take over Pullman's sleeping 'car business is meeting with little encouragement, it was indicated. There is some talk of three regional pools being formed each operating independently in Eastern, Southern and Western territories, but the present outlook is that each of the roads will buy outright the sleeping and parlor cars they need and operate them as part of their regular passenger equipment.

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## Authority Denies Monopoly Charges Made by Biddle

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Fletcher referred to public statements made by Attorncy public General Biddle and his assistant. Wendell Berge, criticizing rate-making methods and other railroad practices. Biddle in a speech at Spokane spoke of an impending anti-trust action against western carriers.

"Nowhere except among the employes of the Department of Justice," Fletcher said, "is there to be found any sentiment that the transportation business this country should be for 01 forced backward half a century to the days when rates were made 'in the dark' under compctitive pres-sures with the biggest shipper wielding the biggest club and getting the lowest rate.

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Admitting that railroad con-sultive committees establish rail WASHINGTON, Aug 17.-(P) sullive committees establish rail -Answering charges of monopo- able to the Interstate Commerce able to the Interstate Commerce Commission, Fletcher said it was

adjusts and rainoads . . are able to reach rate adjustments that are satisfactory." Later Fletcher said that the carriers may assume\_operation of the Pullman Combany's sleeping car facilities in effectuating the Philadelphia federal court order requiring the company to dispose either of its manufacturing business or its operating business. He added that the Pullman Company would inform the court October 5 that it would retain its manufacturing business.

CLEVELAND, O. PLAIN DEALER Circ. D. 227,657 — S. 391,062

AUG 1 8 1944

## Stock Exchanges to Close on Saturdays Due to Heat

Cleveland Joins New York in Avoiding Short Sessions for

## Next Three Weeks

### BY GUY T. ROCKWELL Financial Editor

For the first time in 11 years perspiring governors of the New York Slock and Curb Exchanges have bowed to the heat and decided to close both exchanges the next three Saturdays— Aug. 19 and 26 and Sept. 2. W. J. Perry, acting secretary of the Cleveland Exchange, said governors immediately took action here and decided to close the Cleveland bourse on the three days. Governors of the Chicago Exchange took similar action.

Although no statements were issued, it was learned unofficially that attendance has fallen off steadily in the recent short two-hour Saturday sessions under stress of 90-degree and higher temperatures which have blanketed most of the country for two months. Wall Street brokers also pointed out that while the floor of the

Wall Street brokers also pointed out that while the floor of the stock exchange is air conditioned, little of such equipment has been installed in brokerage offices and that hot weather conditions were intensified for employees because of the hustle and bustle nature of their work. The last time the exchanges

The last time the exchanges closed because of hot weather was in 1933, when both New York institutions closed on six summer Saturdays. It is likely that most of the other exchanges will follow the lead of New York and close and it is expected that unlisted trading will also be suscended.

#### **Roads May Take Over Pullmans**

According to a railroad authority, the carriers may assume operation of the <u>Pulman Co</u>'s sleeping car facilities <u>In</u>, carrying out a federal court order requiring the company to dispose either of its manufacturing or its operating business.

Each railread might buy a share of the Pullman Co's supply of sleeping cars, dividing the supply. The railroads might pool the sleeping cars under the Association of American Railroads, with the right to shift the cars among railroads on a rental basis as freight cars now are shifted about as needs arise.

The railroads might organize a subsidiary to operate the sleeping cars, much as they organized and jointly own the Railroad Express Agency.

Freight loadings were again Treight week ended Saturday but this the week ended Saturday but this the week before. It was 9,060 cars better than year ago. Miscellaneous shipments increased 2,326 cars, less than carlot loadings were up 1,654 and coal movement was up 4,156 cars.



## Monopoly Accusation Hit By Railroad Spokesman; Pullman To Make Change

Washington, Aug. 17-(AP)-Answering charges of monopolistic practices recently made by the Justice Department, R. V. Fleicher, Vice President of the Association of American Railroads, told a Senate Committee today "most active intense competition" exists within the industry and between railroads and other forms of transportation.

Fletcher referred to public statements made by Attorney General Francis Biddle and his assistant, Wendell Berge, criticizing rate-makfing methods and other railroad practices. Biddelin a speech at Spokane speke of an impending antitrust action against Western carriers.

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## Chicago Jrn'1. of Comm. August 18, 1944 Carriers May Run Pullman Sleepers, A. A. R. Declares

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 The railroads might organize a subsidiary to operate the sleeping cars, much as they organized and jointly own the railroad express agency.

Mr. Fletcher said some solution would have to be presented to the Philadelphia court on the Oct. 5 date.

CLEVELAND, O. PLAIN DEALER Circ. D. 227,657 — S. 391,062

AUG -1 8 1944

## Stock Exchanges to Close on Saturdays Due to Heat

Cleveland Joins New York in Avoiding Short Sessions for

## Next Three Weeks

## BY GUY T. ROCKWELL Financial Editor

For the first time in 11 years perspiring governors of the New York Stock and Curb Exchanges have bowed to the heat and decided to close both exchanges the next three Saturdays— Aug. 19 and 26 and Sept. 2. W. J. Perry, acting secretary of the Cleveland Exchange, said governors immediately took action here and decided to close the Cleveland bourse on the three days. Governors of the Chicago Exchange took similar action.

Although no statements were issued, it was learned unofficially that attendance has failen off steadily in the recent short two-hour Saturday sessions under stress of 90-degree and higher temperatures which have blanketed most of the country for two months.

Wall Street brokers also pointed out that while the floor of the stock exchange is air conditioned, little of such equipment has been installed in brokerage offices and that hot weather conditions were intensified for employees because of the hustle and bustle nature of their work.

of the manue and basis intertheir work. The last time the exchanges the last time the exchanges in 1923, when both New York institutions closed on six summer Saturdays. It is likely that most of the other exchanges will follow the lead of New York and close and it is expected that unlisted trading will also be suspended.

#### Roads May Take Over Pullmans

According to a railroad authority, the carriers may assume operation of the Pullman Co's sleeping car facilities Th, Carrying out a federal court order requiring the company to dispose either of its manufacturing or its operating business.

Each railroad might buy a share of the Pullman Co's supply of sleeping cars, dividing the supply. The railroads might pool the sleeping cars under the Association of American Railroads, with the right to shift the cars among railroads on a rontal basis as freight cars now are shifted about as needs arise.

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Freight loadings were again under 900.000 cars in week ended Saturday but this was an increase of 5.714 cars over the week before. It was 9.008 cars better than year ago. Miscellaneous shipments in creased 2.528 cars, less than carlot loadings were up 1.654 and coal movement was up 4.154 cars. CINCINNATI, OHIO ENQUIRER Cir. D. 122.672 — 5. 200.750 AUG 1 8 1944

## Monopoly Accusation Hit By Railroad Spokesman; Pullman To Make Change

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# AUG 181944 **3 Steps Weighed On Pullman Cars**

NEW YORK, N. Y. JOURNAL-AMERICAN

Cir. D. 641.194-S. 1.067.857

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## UNION CITY, N.J. HUDSON DISPATCH Circ. D. 28,187 AUG 1 0 1944 Savs Post-War Business

## Must Give 55 Million Jobs worlated Prov

ABSECON, Aug. 9-Between 3 and 5 million persons will be unemployed in the United State: within 6 months after the end of the war in Europe compared with less than a million out of work now, a government official predicted today.

A. Ford Hunrichs, acting com-missioner of the U. S. Department of Labor's Bureau of Labor Statistics, made the statement, adding, however, that after those 6 months employmnet would increase until the end of war in Japan. Then he said, there would be another declin

After the end of all hostilities, Hinrichs said, business must "ex-pand the demand for labor so that there will be 53 to 55 million jobs not 51 million as at present; not 46 million as before the war.

Dr. Charles Roos, president of Econometric Institute, which acts as a management consultant to inas a management consultant to in-dustry and husiness, said "the Of-fice of Price Administration should be ahandoned at the end of the European war."

"The current price level is within 5 percent of where it would have been without OPA ceiling price controls," he continued.

Our studies indicate that efforts "Our studies indicate that efforts of the OFA have in regive been un-fruitful. Many of the effects on OFA celling pickes have been to animoting communities produced to the same degree of courton?" R. V. Fletcher, vice president of the Association of American Rail-roads, commented that "the gov-ernment loss just succeeden in force-

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ing the Pullman Co, to abandon the operation of its skeping cars, "Just how the public convenience has thereisy here subserved, no one is able to explain," he said. Lew Hahn, general manager of the N. R. D. G. A., said he thought increased plant capacity after the War would enable manufacturers to turn out 50 percent more consume Competition among retailers will be keener because of new outlets and new forms of distribution, he added.

#### BOSTON, MASS. Christian Science Monitor Cir. D. 141,442

## AUG 1 8 1944 Says Carriers May Assume Operation **Of Pullman Cars**

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104



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WALL STREET JOURNAL PACIFIC COAST EDITION 415 Bush St., San Francisco, Calif.

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NEW YORK. N. Y. NEWS Cir. D. 2.000,999-S. 3.893.395

# AUG 25 1944 ROOSEVELT VS. PRIVATE ENTERPRISE

President Roosevelt's legal Man Friday, Attorney General Francis Biddle, has just started another of those antitrust suits of which he and his boss are so fond.

This latest suit is against the American Association of Railroads, the Western Association of Railway Executives, J. P. Morgan & Co.; Kuhn, Loeb & Co.; 47 railroads and their top executives, and 31 other individuals mixed up with railroading. It is charged that together these parties have constituted a trust in some vaguely described way having to do with freight rates East and West.

The suit comes at a time when we are in two major wars, when the railroads are hauling more freight and passengers than ever before, and when almost everybody is

## Another "Trust"

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teriorating equipment and the difficulty of getting replacements, and they keep shuttling troops and war materials to the ports with unfailing regularity and speed.

It seems a strange time to bring such a suit-strange until you consider the general pattern into which this suit falls.

This is the same sort of thing as the anti-trust suit against the Associated Press, a large cooperative news-gathering agency which has stiff and capable competition and is therefore not a trust. The Roosevelt Administration brought that suit and pressed it to some sort of victory in the lower courts, though the Supreme Court has yet to pass on it finally.

The railroad suit, too, is of a piece with the anti-trust suit against the Pullman Co., which Biddle pressed to a Government victory. The Pullman Co., making and operating the best sleeping cars in the world, was ordered either to quit making or to quit operating them-the traveling public to take it on the chin.

The only logical conclusion from all these things, so far s we can see, is that the Roosevelt Administration is an implacable enemy of American private enterprise and individually owned business, and is out to break up those basic American institutions if it can and in any way it can.

## PATHFINDER

Washington, D. C. Sleepers for Sale

The nation's sleeping car business has been placed on the bargain counter for a quick sale U.S.A. railroads are expected to

snap it up. Federal Court in Philadelphia on July 7 ordered Pullman, Inc., to get rid of either its steeping car business or car man-ufacturing industry. It has elected to keep the latter, get rid of the less lucrative transportation business.

Apparent reason for Pullman's decision is found in radical re-designing of railroad passenger and freight cars for introduction in the postwar era. Pullman-Standard (Pullman subsidiary) builds a sizeable proportion of all rail cars.

Pullman's separation plan must be filed before Oct. 7, put into operation within a year. The railroads have indicated they will form a jointly-owned company to take over the sleeping car business.

AUG 28 1944



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105

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NEW YORK, N. Y. HERALD-TRIBUNE Cir. D. 356 512 - S. 539 023

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Circ. (D 27,365)

This Clipping From ROANOKE, VA. WORLD-NEWS

## AUG 23 1944 Future of the Pullman Business

## (Richmond News Leader)

Unsersambling of the <u>Pullman</u> Commany, is an unnecessary and urrefolionical proceeding, but if the manufacture of equipment is to be separated from the operation of sleepling and chair cars, the present company is an eve corporation will take over the unified servicing of these cars. The hope of the company should be the mandate of the traveler. It is had enough a present to have the modern equipment com-

The nope of the company should be the mandate of the traveler. It is bad enough at present to have the modern equipment conthese from Chicago to New York; while passengers who use other travel routes have accommodations that have not been changed in any major respect, other than air-conditioning, for the past 20 years. If each railroad has to provide and service its own sleeping car equipment after the war, then travel on some lines will be well-nigh intolerable. A central servicing company, on the other hand, might be prevalled upon to safen some the the board of the other of a generally

67 HS good equipment to "the provinces." Perhaps the hopeful aspect of a generally unpromising situation will be the changed is to concentrate exclusively on that in the facture and sale of equipment, it will introduce the long-delayed improvements and do its utmost to get the railroads to discard the old Pullmars; it now keeps in service.

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(Richmond News Leader)

International verse Leader) Unscrambling of the Pullman Computy is an unnecessary and unrecolumnical proceed-ins, but if the manufacture of equipment is to be separated from the operation of sleep-ling and chair cars, the present company is certainly right in expressing the hope that a new corporation will take over the unified servicing of those cars.

The hope of the company should be the mandate of the traveler. It is bad enough at present to have the modern equipment concentrated on such protitable routes as, say, those from Chicago to New York, while pas-sengers who use other travel routes have accommodations that have not been changed in any major respect, other than ar-condition-ing, for the past 20 years. If each railroad has to provide and service its own sleeping car equipment after the war, then travel on some lines will be well-nigh intolerable, A central servicing company, on the other

A central servicing company, on the other hand, might be prevailed upon to assign some of its good equipment to "the provinces." Perhaps the hopeful aspect of a generally unpromising situation will be the changed status of the Pullman Company itself. If it is to concentrate exclusively on the manufacture and sale of equipment, it will introduce the long-delayed improvements and do its utmost to get the railroads to discard the old Pullmans it now keeps in service.

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next few weeks, we'll see the climax of a development of unusual significance to American business. On July 7 a federal district court decree ordering the disintegration of one of the nation's most important war (and peace) industries to scheduled to become effective. That a major war producers should be dislocated in the midst of war is astounding enough, but the case may have even more far-reaching peacetime results. After several years of iitigation, the Pullman organization has been already ordered by the court to give up its sleeping car manufacturing business or its operation of sleeping cars, with which it serves nearly all of the nation's railroads. The company producer of ships, tanks, shells, guns, aircraft sub-assemblies and a long list of ordnance equipment, and carrier of a heavy portion of military and civilian railroad passenger traffic was orded to split itself because of its "sole occupancy" of the sleeping car field. David A. Crawford, president of the company, which in peacetime builds its own sleeping cars, says the decree "involves and threatens the fundamental right of a contractor to make

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## CHICAGO JOURNAL OF COMERCE JULY 29. 1944.

**Kailroads:** 

War Shift After Nazi Defeat Appraised for Its Effect on Traffic

Directors of the Association of American Railronds discussed yes-terday with Col. J. M. Johnson, di-rector of the Office of Defense Transportation, the problem of a major switch in railroad operations from the East to the West to permit concentrating on the defeat of Japan once Cermany is knocked out of the war. The meeting was held in Washington.

The directors also discussed the question of operating Pullman service in the future, in view of the a recent federal court order directing Pullman, Inc., to give up the manu-facture of Pullman cars or its servlec division, and the company's de-cision to dispose of the latter unit. Colonel Johnson expressed the view, it was stated, that the roads

would be able to make the shift in traffic flow without difficulty and regardless of how suddenly the change takes place.

change takes place. At the present time, he said, ton-miles of traffic being handled by the carriers are equal to the 1943 peak of last October and the volume is still growing, but the roads are handling the volume with relative ease. An A.A.R. spokesman said that

no conclusions were reached on the question of sleeping car operation, pointing out that Pullman has not pointing out that Pullman has not yet approached the railroads col-lectively regarding sale of Pulman cars to the carriers. There are only four possible ways in which the solved, this spoksman said: Grea-tion, of a national railroad pool; establishment of regional rail pools; the purchase of Pullmans cars by transe of an outsider into the sleep-ing car field. ing car fleld.

ing cer field. Future business prospects, with particular reference to the changes which may occur when Germany falls, size were discussed. The con-sensus was that there will be a decline in total freight volume at that time, with a fairly heavy de-crease in the eastern part of the automatic country.

There has been an improvement in ral'road manpower, it was stated, and roads generally are better off and roads generally are better off in this respect than for several months. A total of 63,000 workers has been added to the rail labor force in the last 19 weeks, it was reported, but the carriers still need 85,000 workers.

#### New York Age July 29, 1944



derstand why so many porters have all at once become interested in the future of the Pullman Company. According to the many hard things that they have said about the unfairness of the company towards their employees and especially their unfairness to the porters.

As to why they should be in any way interested in what becomes of the Pullman Company. In fact, it would seem that they should feel happy now that some one has come forward and put them out of business. Yet it is just the opposite: most every porter that you meet now wants the Pullman Company to hold on to the operating of their cars. But, from the way things apear now, it looks very much like the company is going to sell the servicing of their cars to some other concern.

Who will be the purchaser? Your uess is as good as mine. I do beleve, however, that whoever taken ver the operating of Pullman cars, are going to make changes and in hose changes it is going to be just like in all other businesses. Some the in an other businesses. Some one is going to be hurt, especially hose who have been just out there acting by on the reputation of hose rendering first class service the "Traveling Public." The uliman Company knows who they re, and will no doubt inform the surchasers of their cars. Because, after all, the company will continue build Pullman accommodations d the demand for that accommoation will depend on the service ndered by the individuals who are asigned to these various accommo-There is much speculation among allows. The Pullman Company the porters, as to what is going to will want the public to demand the appen to them if the Pullman sizure cars which they are going ompany turns over their operat to continue to build and if the g department to some other come service is not up to standards, there ern." Well, I personally don't un. will be no demand for them.

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Future business prospects, with particular reference to the changes which may occur when Germany falls, also were discussed. The consensus was that there will be a decline in total freight volume at that time, with a fairly heavy decrease in the eastern part of the country.

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## Travel Items

## Sept. 1, 1944 Pullman Car Properties / ... Are Offered for Sale

CHICAGO .- The first step toward segregating its sleeping-car properties from its manufacturing business has been taken by Pullman, Inc., in a report to stockholders. The company is offering its cars to railroads which Puliman sleeping-car service. "We would propose to include in the plan to be developed for take-over of the sleeping-car business by a railroad buying group, the opportunity for con-tinuation of the centralized pool of sleeping-car operations under the management of a going, experienced organization that could be taken over with the physical properties," it was stated in the report made by D. A. Crawford, President.

From this it is evident that Pullman hopes and expects to have its staff taken over intact by the railroads which buy the cars with the thought that the operations will continue substantially under present methods and supervision.

## Journal of Commerce Sept. 5, 1944

## **Carriers** Study Regional Pools cars now are shifted to meet indi-vidual needs. For Pullmans

# **Rails Find Taking Over**

press Agency to take over and oper- need, and sharing proportionately in ate the sleeping car equipment of the profits. the Pullman Company should not be regarded as an "open-and-shut" proposition, informed sources de- ment would result in the formation clared here yesterday.

At the same time, these sources disclosed that in some quarters it was felt that regional sleeping car pools in designated areas would be more desirable than a centralized pool, and that proposals along these lines are being injected into current discussions

As one railroad official put it: "It may well be that current nego-tiations between Pullman and the railroads will end with the carriers virtually taking over the present Pullman operation, including sleeping car equipment and personnel but to assume that such a program is an open-and-shut proposition, as press reports, is erroneous

## Tankcar Plan Considered

Proponents of the regional pool plan suggest that one approach to this type of operation would be the formation of companies similar to those which provide tank and refrigerator car services. Under this arrangement, sleeping cars could be operated for the benefit of carriers having a community of interests, and leased to similar car-operating companies in other territories to meet seasonal demands. It is be-lieved that the regional type of operation would tend to stimulate competition in providing better equipment and service.

Under a federal court decree, Pullman, Inc., must divest itself of either its car manufacturing business, or its operating division, and must submit a plan for separation of the units to the court by Oct. 5. Pullman has decided to dispose of its operating company, and has op-ened negotiations with the carriers. Severe Plans Studied

Spokesmen for the Association of American Railroads have stated that several plans have been under study, including the following: 1. Each railroad might buy. a share of Pullman's supply of sleeping cars, dividing the supply.



2. The railroads might pool the sleeping cars under the A.A.R., with the right to shift the cars among railroads on a rental basis as freight

 The railroads might organize a subsidiary to operate the alceping cars, much as they organized and jointly own the Railway Express Agency.

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### Might Mean New Company

These reports also suggested that the agreement on a pooling arrangeof a new company which probably would retain present executive per-sonnel of the sleeping car division of Pullman.

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### TO THE EDITOR:

The following editorial to be published in the current issue of the *Railway Age* is sent to you in advance for such quotation from or comment upon it as you may choose to make.

Release for Saturday, September 9, 1944.

RAILWAY AGE.

## THE ISSUE—ANTI-TRUST LAW VERSUS INTERSTATE COMMERCE ACT

"In proceeding against the railways for alleged violation of the anti-trust law, the Department of Justice has raised an issue that the nation's railways, its shippers and the Interstate Commerce Commission should immediately take to Congress," *Railway Age* declares. "It is the issue of the anti-trust law versus the Interstate Commerce Act.

"For a third of a century—most recently in an editorial published on June 24, 1944—the Railway Age has been pointing out that, as regards the railways, there has been apparently a direct conflict between these two laws. Success of the Department of Justice's suit would prove that this apparent conflict is *real*, and that the railways cannot fully comply with either law without laying themselves open to prosecution for violating the other.

"Such conflict of laws is the essence of tyranny. Actually, it makes the government one of men, and not of laws, because it enables public officials to choose, in accordance with their own purposes, political or otherwise, at any given time, whether they will enforce one law or another, and, as in this case, to proceed against citizens under one law for means they have adopted in order to comply with another.

"By express provision of the Interstate Commerce Act, it is made the duty of the Interstate Commerce Commission to administer and enforce that law. It is the duty of the Department of Justice to enforce the anti-trust act. The indisputable record given by the Railway Age in an editorial in its issue of September 2, page 361, proves that the organizations formed and the policies and methods adopted by the railways for which the Department of Justice is now proceeding against them under the anti-trust act, were formed and adopted in accordance with suggestions made to them by the Interstate Commerce Commission, President Roosevelt and Co-ordinator of Transportation Eastman; and that the object of these organizations, policies and methods has been to give better effect to the provisions and purposes of the Interstate Commerce Act. It is a crime punishable with heavy penalties for the railways not to obey the provisions of the Interstate Commerce Act. But now the Roosevelt administration's Department of Justice, after having failed for over a decade to challenge the methods and policies being publicly followed by the railways to give effect to the Interstate Commerce Act, has charged that these methods and policies are crimes under the anti-trust act.

"The remedy for the situation is obvious. The Railway Agehas pointed it out over and over again. The true purpose of the anti-trust act is to enforce virtually unrestricted competition in other industries which are not subjected ut the kinds of regulation and control to which the railways are subjected under the Interstate Commerce Act. Congress should decide whether it does or does not want the same kind of competition in transportation that it desires in most other industries. If it wants such competition is wach competition is wholly incompatible with the Interstate Commerce Act. If Congress prefers continuance of effective regulation of the railroads by the Interstate Commerce Commission, then it should pass an act specifically exempting all earriers from the anti-trust law, and putting them under equal regulation exclusively by the Commission.

"There is little difference of opinion among students of transportation as to which of these policies should be adopted in the public interest. The principal purpose of the Interstate Commerce Act from its inception has been to prevent unfair discriminations. Actual repeal of the Interstate Commerce Act, or its virtual repeal by success of the government's suit against the railways under the anti-trust law, would cause a revival of unrestricted competition, especially in rate-making, resulting in chaos and widespread bankruptcy in all forms of transportation, and in many more and much worse forms of unfair discrimination between shippers, communities and territories than ever prevailed in the worst days of railway rebating. On the other hand, legislation exempting all carriers from the anti-trust act, and subjecting all equally to the Interstate Commerce Act, would not prevent competition in transportation, but would enable the commission to control it and accomplish the purposes for which the commission was created and for which it has been given more and more power for fifty-seven years.

"If the public and Congress want unrestricted competition in transportation, as demanded by the Department of Justice, they can have it. If they want regulation of transportation, as provided by the Interstate Commerce Act, they can have it. They cannot have both; and the Department of Justice, if it presses its suit against the railways, will soon force the public and Congress to choose which they will have."



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## Chicago Herald American

Sept. 10, 1944 RAILROADS MAY BUY PULLIMAN BUY PULLIMAN FOR ROBERT F. VANDERPOL Manual Failor about 6% sech, and other Pacific about 6% s

## American Business Aug. 1944

Pullman Company's decision to dispose of its sleeping and parlor car operations, as a result

of a government demand to divorce the sleeping car operation from the car-building operation, has many people worried for fear that hereafter we may find some roads operating their own sleepers, or farming out the job to incompetent operators. They fear we may run into a situation where one night on a Pullman may find us well treated and served, whereas the next night we may be badly served and poorly treated. It seems possible that if several different outfits operate Pullmans in the future, we may expect variations in service similar to that found in hotels today. We cannot understand the government's attitude in this case. but that's not unusual-there are many government decrees and decisions today which we, in our innocence, fail to understand. We are indeed sorry to see the Pullman Company forced to abandon its sleeping car operation. It has always done an excellent job.

Travel Conditions continue to be more and more congested, if that is possible. Some businesses have begun to discourage trips of executives to conventions and meetings in an attempt to relieve the situation. While much business travel is imperative, it is possible that some reduction could be brought about by a more careful check of all business trips. Somebody has to stop traveling or there will be more serious difficulties than we have ever faced. Despite herculean efforts of the railroads to handle the traffic, there is a limit to the number of people who can be transported. It seems that the more difficult travel becomes the more people clamor to go places. Biggest possible source of relief would come if government people would work more, travel less.



The plan calls for the organi-zation of a new corporation, the "take-over" will occur Jan. 1 Railway-Pullman Car Company, 1945. by a buying group formed among those railway companies interested in acquiring the sleeping car business.

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In addition there are slightly more than 600 relatively new, lightweight sleeping cars, with a depreciated value of \$39,000,000. The railroads using these cars have a contract giving them a first call on their purchase.

It's call on their purchase. The net proceeds to the Pull-man Company would be alightly in excess of \$31,000,000 as against a "book" figure on Dec. 31, 1943, of about \$78,800,000. The \$30,000,000 suggested cap-

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## Chicago Herald American

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## Chicago Herald American 1944

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BY ROBERT P. VANDERPORT Finalization of the centralized optimization of the centralized on system of sleeping car opera-ling, it is pointed out, would be pointed executives of the cells for the taking over by the nation are studying a plan for the taking over by the the sale to the roads of the sleep-ing as builted out of the sleeping car divide the sale to the roads of the sleep-the sale to the sleepth sleepth sleepth sleepth sleepth sleepth the sale to the sleepth slee ing car business of the Pullman tion of certain elected officers of Company, it was revealed today, the Pullman Company and certain The plan calls for the organi-According to present plans, the

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## American Business Aug. 1944

Pullman Company's decision to dispose of its sleeping and parlor car operations, as a result of a government demand to divorce the sleeping car operation from the car-building operation, has many people worried for fear that hereafter we may find some roads operating their own sleepers, or farming out the job to incompetent operators. They fear we may run into a situation where one night on a Pullman may find us well treated and served, whereas the next night we may be hadly served and poorly treated. It seems possible that if several different outfits operate Pullmans in the future, we may expect variations in service similar to that found in hotels today. We cannot understand the government's attitude in this case, but that's not unusual-there are many government decrees and decisions today which we, in our innocence, fail to understand. We are indeed sorry to see the Pullman Company forced to abandon its sleeping car operation. It has always done an excellent job.

Travel Conditions continue to be more and more congested, if that is possible. Some businesses have begun to discourage trips of executives to conventions and meetings in an attempt to relieve the situation. While much business travel is imperative, it is possible that some reduction could be brought about by a more careful check of all business trips, Somebody has to stop traveling or there will be more serious difficulties than we have ever faced. Despite herculcan efforts of the railroads to handle the traffic, there is a limit to the number of people who can be transported. It seems that the more difficult travel becomes the more people clamor to go places. Biggest possible source of relief would come if government people would work more, travel less,

## New York Wall St. Journal Sept. 12, 1944

# Pullman Offers Sleeping Car Unit to Railroads

Proposes That Carrier-Owned **Operate Business** 

Price Put at \$42.1 Million

The Pullman Co., in the first definite plan since a court decree directed the separation of the sleeping car business and the manu- road cars." facturing business of 'Pullman Inc., has

A circular letter has been received by railroads operating sleeping cars under contract with Pullman, advising them of the company's desire to negotiate "a plan for disposition of the Pullman sleeping car business." Under the the equipment trusts. decree the company is required to submit a plan to the court by October 5.

The proposed new company would be organized and operated by railroads interested gammed and by the present Pullman sleeping be increased proportionately if the new com-car service and would acquire the Pullman pany, rather than the railroads, should acproperties.

## Railroads Divided on Proposal

Reports in railroad circles indicate ther is a definite division of opinion as to the future Pullman service.

A program, such as that of Pullman Co to dispose of the sleeping car properties lock stock and barrel to an operating pool fo the benefit of all railroads, is expected t run into strong opposition from the New Yorl Central, the D. & H., Lackawanna, and western railroads who know at all time what their Pullman requirements are.

Such railroads would rather buy outright their required equipment, either from the present Pullman stock, or, buy new modern quipment in the open market from Pullman-Standard Car Manufacturing, Budd, American Car & Foundry, or any other builder.

The pool idea, several officials assert, would be highly beneficial to railroads which have slack and busy periods in sleeping car travel.

Under the Pullman proposal, prices of the units involved are based upon sale of the property as a whole and not on the basis of offering parts of the company to individual railroads or regional groups, a proposal which has been mentioned frequently as more de sirable to some railroads.

Price Put at \$42.1 Million

The selling price determined by the company on the basis of "investment cost of property units less the depreciation reserves accumulated on these units" is \$42,168,551 "for properties definitely to be included in initial purchase transaction."

These include 4,034 heavyweight standard class sleeping cars and composite cars, 2,208 heavyweight cars of tourist sleeper class, shops, laundries, etc., and inventories of materials and supplies.

In addition the company has set a price of \$39,156,671 on 605 lightweight sleeping Company Be Formed to cars and four lightweight composite cars which are "contingently excluded from initial purchase transaction on account of uncertainty as to prior purchase by individual railroads.

Excluded from Pullman's offer for sale also are its share holdings in the Railroad Rolling Stock Patents Corp. "formed jointiy several years ago with the New York Central, the Pennsylvania and the Chrysler Corp. for experimentation on and improvement of rail-

Touching on the financing phase of the transaction, Pullman points out that investproposed to the railroads the formation of a transaction, Fullman points out out a herear ment houses probably would advance 75% new company—the Railway-Fullman Sleeping of the purchase price of the heavyweight. Car Co.-to operate the sileping car service standard eulyment, securited by equipment on behalf of all the railroads. ject to court approval, arrangements could be made for the Pullman Co. to carry the deferred credit part of the transaction" should there be any difficulty in marketing

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## The Pullman Plan

Following the order of the Court to divest itself of either its manufacturing or operating subsidiaries, Pullman Co. has decided to offer the operating company to the railroads to be owned by them en bloc as is the Railway Express Agency. This is a logical step involving no important necessary change in the practical operation of sleeping car service on the railroads.

As everyone knows, the demand for this service exhibits a considerable variation at various times of the year over a large part of the country. It has been met until now by the Pullman Company's operating department, which has for twenty years been separately incorporated (as has the parent company's manufacturing department) and has conducted the service by a flexible pool of equipment which is shifted from one part of the country to another as the demand required. It has dealt with the railroads by contracts designed to meet the varying requirements of the systems. Transfer of the operating company's ownership from Pullman Co. to that of the railroads would not necessarily involve any important change in methods from those now employed.

Experience of rail carriers is, however, not uniform as to the degree of fluctuation in demand for sleeping service at various seasons. Some-in eastern and western districts, for example —have a steadief demand than do others whose travel between North and South fluctuates largely between winter and summer. The former class is reported as preferring to handle fits sleeping service in its own equipment. The pool method suits the latter better. Pullman Co. desires to sell the operating company as a unit to a single railroadowned company.

Whether it will be possible to devise a hybrid system between the pool method and individual ownership of equipment remains to be seen. On general principles it would seem that the desires of the railroads which want their own should be possible of satisfaction by contract with a single operating company, but a careful exploration of the Pullman proposal will doubless develop all the points of importance. Existing contracts between Pullman Co. and the railroads are not very complicated documents as they stand.

Pullman Co. places a price of \$42.1 million on the main standard heavyweight and tourist equipment and accessories included in its present offer. It has reserved for special treatment a number of lightweight and composite units which it values at over \$39 million. In making the offer it has complied with the Court's order to produce a plan for divestment of one or other subdidary two October 5. Under mat-

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Sept. 20, 1944

## **Pullman Split** Is Delayed by Sale Problems

**Proposals** to Railroads Make Little Progress for Oct. 5 Deadline on Plan

### By NANCY FORD

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#### Pennsy Has Own Plan

Meantime, it is said to be an open secret that the Pennsylvania Rail-road is pianning to buy and operate its own sieeping cars, and has called meetings with its connecting lines to discuss interchange and other operating problems.

Such a decision on the part of Pennsy, a large user of Pullman equipment, would not render a centralized pool plan impracticable, railroad officials said. There are still widely varying opinions as to whether a national pool is superior to regional pools.

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cilities of Fullman, including sup- supplies and materials, piles and maintenance facilities, and Lightweight sleeping pools and direct ownership of sleep- cars were likewise excluded ing cars by individual roads.

### **Puliman Declines Comment**

as a group, stating that any such statement would be appropriate only when made to company stockholders or to the court.

schools of thought as to the fu- points, it was asserted. ture operation of railroad sleeping car services, and that it was un likely that present discussions would end in anything definite before the

date Puilman is required to go into court. As yet, no meeting of member roads has been called by the Association of American Railroads to discuss the matter on an industry-wide basis, although it is bc-lieved that the board of directors of A.A.R. may discuss it informally at its forthcoming meeting scheduled for Sept. 29.

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## Railway Purchases & Stores Sept. 1944

## Railroads May Operate Sleeping Cars

The Pullman Company is opening negotiations for sale of its sleeping car business to the railroads, it was disclosed in the second quarter statement to stockholders of Pullman Incorporated, issued Aug. I 4by D. A. Crawford, president. Under the proposal, which Pullman is working out in accordance with the provisions of a court decree requiring it to dispose of either its sleeping car business or manufacturing business, prospective purchasers would be given the opportunity also to acquire the "going, experienced organization" which operates the centralized pool of sleeping cars.

"This would assure maintenance of the pool system of sleeping car service which the court in effect found to be desirable in the public interest and to the economic advantage of the railroads, as well as maintenance of the high standards of travel service created by The Pullman Company in its more than three-quarters of a century of activity in this business," the statement continues.

"Such an arrangement would also permit continuance of that mobility of cars, equipment, supplies and personnel which are necessary to meet the fluctuating demands engendered by the seasonal ebbs and flows of sleeping car travel throughout the country."

## Wall Street Journal Sept. 28, '44

Pullman— It may be some time before Pullman geta rid of its passenger car business. The company recently prepared a plan for disposal of the cars to railroads and the latter are jointly giving that consideration. However, there is a difference of opinion among the railroad managements, some favoring the purchase by an agency created by them, others thinking that purchases should be made by individual roads. No decision has been made or is conidered likely in the near future. Having prepared the plan, Pullman will submit it to the court by October 5 for approval.

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## The Chicago Tribune October 3, 1944

# SIFEPING CAR **DISPOSAL PLAN DETAILS TOLD** Pullman Program groups most interested in handling the sieeping car business. "It is proposed that the charter Filed in Court.

Puliman, Inc., yesterday disclosed details of its plan to sell the Pullman company, sleeping car subsidiary, to the railroads now served by the subsidiary. The details were ven in the plan filed with United states District in Philadelphia in accordance with an anti-trust decree entered May 8. The decree ordered Pullman, Inc.,

to divest itself of either the sleeping car business or manufacturing operations, carried on by Pullman Standard Car Manufacturing com pany, another subsidiary. The plan must be made effective by Oct. 5, 1945

The Pullman company sale is to include sleeping cars, shop and laundry properties, miscellaneous structures, operating equipment, furniture and office equipment, inventories of materials and supplies, and various intangible properties.

Total Price Tops 81 Million.

The total selling price of the properties listed was \$81,325,222. This Included heavy weight sleeping and composite cars and other property valued at \$42,168,551, which would be sold to the proposed new company.

The remaining \$39,156,671 valua-tions was attached to 609 light weight sleeping and composite cars, which also would be sold to the new company, except for those purchased under present contract rights by In-

dividual railroads using them. Pullman said a letter from M. W. Clement, president of the Pennsyl-vania railroad, asserted that the Pennsylvania proposed to own and operate its own sleeping car service and would call on Pullman to fulfill its contract obligations involving the sale of sleeping cars.

Financing Method Offered.

How the proposed new company might finance its purchase-not including the light weight cars-and provide working capital with approximately 30 million dollars in cash also was detailed by Pullman. The disposal plan, submitted by D. A. Crawford, president of Pullman, Inc., proposed that a new corporation, referred to as Railway-Pullman Sleeping Car company, be

formed by railroads or railroad

powers of such corporation authorize the conduct of the sleeping car busi-ness and the furnishing of sleeping less of participation in stock owner-ship of the new company," said Crawford. car service to all roads allke, regard-

'It is proposed that the method and extent of participation of those railroads who join in formation of the company might well be based upon the gross revenue earned by the Pullman sleeping car business during the contract periods ending in the last fairly normal pre-war year [1940] on the various roads.

No Interruption of Service.

" It is proposed that the new company, as organized and owned by the rallroads, be prepared, upon ap-proval of the pian by the court, to take over the Pullman company's sleeping car properties and organiza-tion of officers and employes for conducting the business, and that such take-over be effected without interruption of traffic and without affecting service to the public,

Tangible properties of Pullman company listed for sale were:

1. Heavyweight standard class sleeping cars and composite cars, 4.034, comprising 3,865 air conditioned and 169 nonair conditioned. 2. Fully depreciated heavyweight cars of tourist sleeper class, 2,208. comprising 479 air conditioned and 1.729 nonair conditioned.

8. Lightweight sleeping and composite cars, 609, all air conditioned. 4. Six repair shops and 10 laundries in various parts of the country.

5. Miscellaneous, structures, operand furniture ating equipment, valued at \$1,462,556.

6. Inventories of materials and supplies valued at \$12,443,520.

Would Assign Agreements

Pullman company also would asign and deliver to the purchaser all existing principal and supplemental agreements between Pullman company and railroads for providing sleeping car service; its agreement with Defense Plant corporation for lease and operation of was the estimate of cash required 1,200 special type troop sleeping cars for working capital, and as a fund owned by DPC; its agreement with for other purposes, such as for de-the Association of American Rail ferred purchase of the fully depreroads for collection of mileage on clated cars.

the troop cars, and other authorizations.

The plan provides for delivery of all Pullman patents relating to sleeping cars and all licenses for the use of patented designs, materials and processes; all records pertaining to properties transferred and the operations, with certain exceptions; all leases on properties, excluding office space that Pullman company may wish to continue to rent; all experimental cars and parts, models, files and drawings owned by Pullman company, and all employment records and contracts, with certain exceptions.

Pullman proposed that the new company should have the option to defer purchase of fully depreciated cars until their serviceability could be evaluated. Pullman would offer to retain ownership, but not control, of these cars and to lease them to the new company at an annual rental of \$500 per car.

Propose Equipment Trust.

The proposed financing would include a \$6,100,000 cash down payment on the \$24,400,000 purchase price of the heavyweight cars, of which it was estimated 75 per cent could be financed on a deferred credit basis under an equipment trust. The Pullman company would be willing to take over the equipment notes.

The estimated amount of cash required for purchase of the fixed its properties, materials, and supplies was 18 million dollars, and \$5,900,000

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6. Inventories of materials and supplies valued at \$12,443.520.

## Would Assign Agreements

Pullman company also would assign and deliver to the purchaser all existing principal and supplemental agreements between Pullman company and railroads for providing sieeping car scrvice; its agreement with Defense Plant corporation for lease and operation of was the estimate of cash required 1.200 special type troop sleeping cars owned by DPC; its agreement with for other purposes, such as for dethe Association of American Rail- ferred purchase of the fully depreroads for collection of mileage on ciated cars.

tions.

The plan provides for delivery of all Pullman patents relating to sleeping cars and all licenses for the use of patented designs, materials and processes; all records pertaining to properties transferred and the operations, with certain exceptions; all leakes on properties, excluding office space that Pullman company may wish to continue to rent; all experimental cars and parts, models, files and drawings owned by Pullman company, and all employment records and contracts, with certain exceptions.

Pullman proposed that the new company should have the option to defer purchase of fully depreciated cars until their serviceability could be evaluated. Pullman would offer to retain ownership, but not control, of these cars and to lease them to the new company at an annual rental of \$500 pcr car.

## Propose Equipment Trust.

The proposed financing would include a \$6,100,000 cash down payment on the \$24,400,000 purchase price of the heavyweight cars, of which it was estimated 75 per cent could be financed on a deferred credit basis under an equipment trust. The Pullman company would be willing to take over the equipment notes.

The estimated amount of cash required for purchase of the fixed properties, materials, and supplies was 18 million dollars, and \$5,900,000 for working capital, and as a fund The Chicago Sun October 3, 1944

# **Divestment Plan** Filed by Pullman

Philadelphia, Oct. 2 .--- (UP)--Pullman Inc., today filed a plan in U.S. District Court proposing to sell its sleeping car business and retain its manufacturing interests in compliance with a federal court decision that the Pullman group must separate the two businesses under the anti-trust laws

laws. The plan to effectuate separa-tion of the two businesses pro-vides for disposal of the sleeping car business and its properties for an estimated total of more than \$81,000,000 and will become effec-tive within one year if the court approves the plan.

#### New Corporation Suggested.

The proposed plan suggests the formation of a new corporation, to be identified as the Railway, Pullman Sleeping Car Co., which would be taken over and operated by the various railroads on a pro-TB a basis.

rate basis. Directors of the Association of American Railroads last week au-horized creation of special rail-ter director and the second second to find a solution to their sleeping car problem. It is understood these committees will study the Pullman proposal and report their findings and recommendations to the association directors.

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Follows Court Ruling.

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it would retain. The plan filed today valued the sleeping car business' free prop-erty at \$42,168,551 which could be sold outright and said the balance, \$39,156,671, comprised lightweight sleeping cars and composite cars on which the several railroads have priority number induc have priority purchase rights.

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Chicago Journal of Commerce October 3, 1944

## Pullman Files Rail-Operated Sleeper Plan

Tells Court Pennsy Will Furnish Its Own Service; Action Under Advisement

PHILADELPHIA, Oct. 2 -- A series of thearings by a special three-judge court to determine the future operation of the railway sideping car business, heretofore conducted by The Pullman Company. appeared today to be the next step in the government's antirust proceeding against the Pullman group.

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At the same time, the company told the court that one large user of sleeping car equipment, the Pennsylvania Rallroad, had served notice that it purposes to own and operate its own sleeping car service.

New Corporation Suggested

The plan, which the court took under advisement, embodies the propossis made to railroads by Fullman, Inc. under date of Aug. 30, suggestmation by interested railroads, which would take over and operate the present sleeping car business of The Pullman Company. The proposed Pullman, Sheeping Car Dorphot Pullman, Sheeping Car Company, would also restain all officers and employes of the sleeping car company, with the exception of certain their olerical staffs, who would be restained by Pullman.

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### Railroad Views Differ

It is known that the proposals have been viewed with mixed sentiments in railroad circles, and that in some quarters it is felt that resional pools would be a preferable contralized pool proposed by Pullmen.

Although Pullman adviced the court that its propes "Carrier no official property units to any ruliroad or group of rallroads," it shoo pointed out, in connection with the Pennsylvania proposal to operate its own service, that "the ownership and operation of alceping cars by an individual rallroad, or the formation of a regional group of the formation of a regional group of the forincompitable with the objects contemplated \* \* \*, and need not affeet the formation of a less-thanall-inclusive pool through ownership and operation of remaining sleeping car properties by those realizonds who desire to co-operate to that end."

club. whatsico of 481,382,226 on its properties. Of this amount, 442,168,551 the balance of 483,915,626 on its properties. Of this amount, 442,168,551 The balance of 483,915,6671 consists of lightweight cars which would be purchased by individual user-railroads under their present contract purchased, shout \$80,000,000 in cash and the balance in equipment trust call properties except the lightweight cars.

Listed were 40.04 heavyweight cars at an sverage selling price of \$60.03, or a total of \$43.550.810, and 2.205 fully depreciated heavyweight cars, tourist class, at an average salvage value of \$20.00 a car, or a total of \$4.415.000. The company deducted \$4.416.000 isr "defortable purchase of fully depreciated tourist class cars."

Also listed were ten laundries and six abops, with a totai valuation of \$5,365,221, and materials and supples inventories of \$12,483,320. The plan described 605 lightweight absolute a six an average selling price 563,566 and four lightweight composite cars at an average selling price of \$55,308, or a total of \$221,235.

Under the decree, Pullman has until Oct. 5, 1945, to put its plan into effect, but if the plan proves unacceptable, the court may itself make proposals.

Chicago Journal of Commerce Cctober 3, 1944

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L m U For prosting 1074

G. A. Helly L. P. Hanson

#### I am attaching below editorial elipping from The Louisville Times

of October 5, for your information.

#### **Good Service**

An anti-trust suit forces Pullman, Inc., to sell its sleeping car servicing business, which has made a notably good record, that it may continue manufacturing sleeping cars.

Formerly there was more than one manufacturer of alsepers. WILLIAM D'ALTON MANN, who in later life was editor of Town Topics, made the Mann boudoir car. When Pullman, Inc., became the exclusive maker of alseping cars, the word "pullman," originally a family name, became a common noun.

Pullman service will be remembered kindly by millions of patrons of sleeping cars, who will hope that their comfort and convenience will be so ministered to that they will forget that change occurred.

H. A. Hudwalker District Superintendent

l:fej

Louisville, Kentucky October 4, 1944

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Louisville, Kentucky October 4, 1944 Wall St. Journal Aug. 13, 1944

## Railroads Considering Taking Over Pullman's Sleeping Car Business

Pooled Ownership or Special Operating Subsidiary Are Possibilities, Fletcher Tells Senator

WASHINGTON (PP-A spokesman for the Association of American Railreads asid the carriers are considering taking over operation of the Pullman Co's slepping car facilities in effectuating the Philadelphia Federal Court order requiring the company to dispose either of its manufacturing business or its operating business.

R. V. Fletcher, association vice president, said in testimony before the Senate Military Subcommittee on war mobilization that the Pullman Co. would inform the court October  $\delta$  that it would retain its manufacturing business.

The court decision, Mr. Fietcher said, posed a problem for the rail passenger industry which until now had rented sleeping cars from the Pullman Co.

He said no solution has been agreed upon as yet but several alternatives are under discussion. Questioned by Chairman Kilgore (Dem., W. Va.) Mr. Fletcher said there were these possibilities:

1. Each railroad might buy a share of the Pullman Co.'s supply of sleeping cars, dividing the supply.

 The railroads might pool the sleeping ears under the Association of American Railroads, with the right to shift the cars among railroads on a rental basis as freight cars now are shifted about as needs a rise.

3. The railroads might organize a subsidiary to operate the sleeping cars, much as

they organized and jointly own the Railroad Express agency.

Mr. Fletcher said some solution would have to be presented to the Philadelphia court on the October 5 date.

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Pullman Inc's sleeping car business is carried on by the Pullman Company. Its manufacturing business is carried on by the Pullman-Standard Car Manufacturing Company and subsidiaries.

The anti-trust decree, filed by a special three-judge court, directed the group to give up one of the two businesses. Under the decree there may be no "interlocking directors" among the companies and no officer or director of any one Pullman company may hold securities in the other.

In entering the decree, the court directed Pullman to file a proposed plan of separation and said if the plan proved unacceptable the court itself would make a proposal.

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## MIAMI DAILY NEWS, OCTOBER 5, 1944

To the Editor of The Miami Daily News:

The most sensational event before the people now, outside of the war, appears to be the program of the attorney general for the breaking up of big business by means of anti-trust suits.

A typical case seems to be that of the Pullman company. Under a decree of a federal court, the company has been given until Oct. 5th to submit the plan for the separation of its sideping car business from its manufacturing business.

It appears that the company has been proposing to the railroads the formation of a new company to operate the sleeping car service on behalf of all the railroads, but many of the railroad companies have other views.

It also appears that the department of justice has recently filed anti-trust suits against 47 western railroads, and altogether have 114 such suits pending in its files involving many big concerns which manufacture and operate a great number of wellknown articles.

It further appears that at the instance of the war production board and the war and mavy departments that the prosecution of many of these suits would interfere with the war effort, the department of justice has held upthe prosecution of some of these suits-but now that victory is in sight, is eager to proceed.

Hostility to big business has been one of the evils of the New Deal and was one of the principal causes of the depression when radical New Dealers went speaking around the country, scaring men who had the means to furnish employment.

It is the most amazing thing I ever heard of—that the department of justice should start such a program at such a critical time, HENRY A. HAYWARD.

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### The Knickerbocker News, Albany, N. Y., August 7, 1944 Future of the 'Pullman'

Because the Pullman Company not only operated but built the sleeping cars used in American railroads, the term "pullman" has been applied to the car. It probably will continue, although, under a court decision, the company has decided to stop operating the cars and will simply build them and other vehicles of transportation.

It was forecast here several weeks ago that the railroads probably will take over the sleeping car operation, along with the diners, much as they did the express service. It seems a sensible enough arrangement.

We are interested in that individual who "takes care" of us while traveling wia pullman. He is known generically as "George," probably because George Pulman started the service. The whimsical "Society for the Prevention of Calling Sleeping Car Porters George," was started in the '20s but the appellation still persists. For those who enjoyed his ministrations it is well to wish him continuance in an important service.

The railroads have done a grand wartime job and we hope prosperity will stay with them in peace, despite the competition of buses and airlines. There are some current speculations on passenger service relating to sleeping cars. It is known there are plans on the drawing boards, probably further, for three-decker berths, and for an improvement upon the new arrangement, the roomette. There is also discussion of the idea of cheaper travel on a basis of a "dollar for a bed" regardless of length of trip. These are ideas that bear on convenience and comfort and cost, but all come under the head of service.

Peace will be a period of some change in railroading and the "pullman" and "George" and the Average Traveler will all be part of it.

#### Chicago Tribune Oct. 7, 1944

## HERE'S A YARDSTICK?

The Pullman company, which has been required by a federal anti-trust decree to dispose of its sleeping car business, has offered to sell it to the railroads for approximately \$1 million dollars.

All of the sleeping cars in the country, together with the shops that maintain them, the patents for their construction, and the intangible value of the efficient organization of menwho operate them, are appraised by their present owners at \$1 millions. This is a value built up over \$0 years. Mr. Pulman incorporated his company in 1864.

Mr. Roosevelt is spending 6 billions a month. about 200 millions a day, running the war and the multitude of wasteful enterprises that he has managed to mingle with the conduct of the war. Values that the Pullman company has accumulated over 80 years would, if liquidated, pay our war blils for a little less than 10 hours. Before he started paying any attention to national defense Mr. Roosevelt was spending 8 billion dollars a year on the federal government. The value of the Pullman properties would have sustained his peace time spending for a little less than four days. It is predicted that our post-war federal budget, including the carrying charges on the Roosevelt debt, will exceed 20 billions a year. Eighty-one millions would finance such a budget for about a day and a haif.

The New Deal has got the American people to thinking in astronomical Squres. During the Rooseveil depression the most unambitious so call planner couldn't think up a scheme for remaking society that cost less than a million doil lars. Since the coming of war, lend-iesse, UNRRA, the so-called good neighbor policy, and the general scheme of bribing the world with American doilars, Washington thinks exclusively in terms of billions. A million doilars today is just a ration token to the Rooseveit planners.

Somebody is going to have to pay that money some day unless we wreck our banks and reduce our life insurance policies to the status of cigar coupons by taking the road of debt repudiation. The Simillon dollars which represents the claimed value of all the sieping cars in America is a fair yardstick of the burden that Roservoit and his policies have placed on the people of this mation.

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### Cct. ', 3 4

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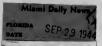
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Puzzled Pullman Employe

the Editor of The Miami Dally New I have been very much inter-ested in the decision of a cer-tain federal judge who lives in Philadelphia. If the reports are true there is a certain firm in Philadelphia, which builds lightweight streamline trains and what not, and have been trying to break into the building of sleeping cars for several years.

Now I can remember the grand Now I can remember the grand old name Pullman as far back as the '90's when people were being killed by the train load from riding in wooden coaches and sleeping cars. The Pullman Co. pioneered travel with safety by building all steel coaches and sleeping cars. Now I believe this Tederar Judge

may have, or could have, dis-qualified himself. As many other federal judges as there are in the country why did it have to be a Philadelphia judge? Has the judge ever found out how many railroads have built and operated their locomotives, passenger and freight cars? If railroad history is true just about all of the major railroads have and many are still doing it in peace time.

He does not seem to care a rap what becomes of the many thousands of Pullman employes who have many years of seniority. I suppose we Pullman employes will be kicked into the street, or a good many of us will. We are in the dark and maybe the company is too. As far as we Miami employes can find out we sure are, and we don't feel very good over it either. I have read that our U. S. attorney general is also of Philadelphia.

I am doing a lot of thinking and they can't shoot me for that, and I hope the investigating committee of the U.S. senate gets on this before it is too late. AN UNHAPPY PULLMAN EMPLOYE. Miami.

CHICAGO DAILY NEWS OCTOBER 27, 1944

# **FXPECT DELAY** SEGREGATIO

BY HERMAN GASTRELL SI inspired postponement of the seg- porters and determined critics. regation of Pullman, Inc., and the Pullman Co., which operates the sleeping-car business of the na-tion's railwards. tion's railroads.

Under the consent decree entered in the U.S. District Court Oct. 5, 1945, to dispose of its trans. A second group takes the atti-portation affiliate. In accordance tude that acquisition of the more-work that decree, a plan was sub-mitted early this month for the eastern rulnman rollings stock, sale of its cars and services to a we corporation owned and one butlast May, Pullman, Inc., has until lined trains.

To quote an informed source: "Roads operating this type of Railway in the meanwhile runces and the second point on Railway in the meanwhile runces unlikely that these cars would be step in the corporate divorce pro-teedings."

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#### Basis for Request.

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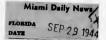
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### Puzzled Pullman Employe

To the Editor of The Miami Daily News: I have been very much interested in the decision of a certain federal judge who lives in Philadelphia. If the reports are true there is a certain firm in Philadelphia, which builds lightweight streamline trains and what not, and have been trying to break into the building of sleeping cars for several years.

Now I can remember the grand old name Pullman as far back as the '90's when people were being killed by the train load from riding in wooden coaches and sleeping cars. The Pullman Co. pioneered travel with safety by building all steel coaches and sleeping cars.

Now I believe this Tederal Judge may have, or could have, disqualified himself. As many other federal judges as there are in the country why did it have to be a Philadelphia judge? Has the judge ever found out how many railroads have built and operated their locomotives, passenger and freight cars? If railroad history is true just about all of the major railroads have and many are still doing it in peace time.

He does not seem to care a rap what becomes of the many thousands of Pullman employes who have many years of seniority. I suppose we Pullman employes will be kicked into the street, or a good many of us will. We are in the dark and maybe the company is too. As far as we Miaml employes can find out we sure are, and we don't feel very good over it either. I have read that our U.S. attorney general is also of Philadelphia.

I am doing a lot of thinking and they can't shoot me for that, and I hope the investigating committee of the U.S. senate gets on this before it is too late. AN UNHAPPY PULLMAN

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#### CHICAGO DAILY NEWS OCTOBER 27, 1944

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#### BY HERMAN GASTRELL SEELY

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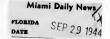
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#### CHICAGO DAILY NEWS OCTOBER 27. 1944

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#### **To Quit Operating**

THE Pullman company is going out of the operation of sleeping cars, but the public will know it only from what it reads in the newspapers. The rolling stock operated by the company will be taken over by a corporation that will be owned by the railroad companies, who will make investment approximating the ratio of their use in years past of the equipment operated by the Pulman company. The new company will follow closely the pattern of operations of the Pullman. There is no reason to expect either that service will deteriorate or that it will cost more money.

One of the valuable services of the Pullman company has been its ability to meet extraordinary dcmainds from the railroads for special service cars as occasion made them necessary. To enable it to do this the company maintained a pool of cars in excess of ordinary needs which could be drawn on by railroads having to meet demand due to some extraordinary expansion of traffic. This pool usually sufficed to meet the needs of all the rate roads. Its existence explained why in pre-war years, no matter what the conditions of traffic. It was exceptional for the public not to be able to secure all the Pullman accommodations it desired. The proposed new company will continue this pool, and can be expected to see that it is maintained in sufficient size so that the average of service given the public will be at least as good as it has been in past years.

The sale by the Pullman company follows on a finding in U.S. district court that its functions, unchallenged through all the years, as both a builder and operator of special purpose cars was an infringement of the anti-trust law. It will continue to manufacture equipment, but will no longer operate any of the rolling stock used by the railroads. It might have contested in higher courts the decree that it can manufacture or operate, but cannot do both, but it chose to consent. Its attorneys doubtless were of the opinion that the lower court would be upheld on any appeals that might be undertaken. They can read the signs of the times.

The public is principally interested in how it it served. If it is served, as it doubless will be, as well in the future as it has been in the past it will ratify the change in ownership without reservations. It it is served better, it will hall it as a step forward, one that has more than justified itself.

### ROME, N. Y. SENTINEL Cir. D. 10.638

Won't Sleep in Pullmans? Forced by the United States District Court to drop either its car servicing or its car construction business, Pullman, Inc., has elected to discontinue the operation of Pullman sleeping and other cars upon the railways of the country, but to proceed with the manufacture of such cars and any others. Be it remarked that Pullman, Inc., is a holding company, the servicing having been done by its subsidiary the Pullman Company its construction by its other subsidiary the Pullman Company, its Manufacturing Company, That the servicing would be dropped was informally announced last July and extended comment made in these columns at the time. Now the papers have been filed formally with the court.

What seems still left undecided is how or by whom the sleeping and other cars of the Fullman brand are henceforth to be operated. Apparently the Fullman Company can be transferred to other hands through sale of a majority of the stock, the new owners continuing the supplying of cars and servicing them for the surface it may selems make small difference to the traveler who owns or services the particular car in which he rides.

It is an almost safe bet that for most travelers a sleeper will be a "Pullman" no matter where built or by whom operated.

In the program now submitted to the court by Pullman, Inc., it is proposed to set up a new corporation to be known as the Railway-Pullman Sleeping Car Company, the stock to be taken by the railways generally as was done some years ago in the case of the Railway Express Agency. This new corporation would proceed to operate much as the Pullman Company has done for so many years. It would in effect constitute a pool from which the individual roads could draw sleeping cars accord-There are strong arguments why that would be more practicable than for each company to own ing to their needs and their funds. and operate its own sleepers-as the Pennsylvania System already has announced its intention of doing.

However, any program must receive the sanction of the Interstate Commerce Commission as well as that of the court; and, obviously the assent of the majority of the systems will be necessary to such as a company as is proposed.

#### OAKLAND, C TRIBUNE Cir-Dally 937 105,124

#### PULLMAN SERVICE QUITS

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TRIEUNE

001 2 - 1346 SALEN CIR

## Pullman to Sell Sleepers

Philadelphia, Oct. 2 (#p.—Pullman, Inc., notified U. S. district court today that it had elected to sell its sleeping car serving business and retain its railroad car manufacturing business in compliance with an anti-trust decree entered by the court last May 8.

Pullman Inc.'s sleeping car business is carried on by the Pullman company. Its manufacturing business is carried on by the Pullman-Standard Car Manufacturing company and subsidiaries.

The anti-trust decree, filed by a special three-judge court, directed the group to give up one of the two businesses. Under the decree there may be no "interlocking directors" among the companies and no officer or director of any one Pullman company may hold securities in the other.

> BIRMINGHAM, ALA. NEWS Cir. D. 127,124

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## Pullman Elects To Sell Service, Keep Factory

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## UNION-SUN & JOURNAL Cir. D. 9,072

LOCKPORT, N. Y.

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# Pullman Heeds Anti-Trust Law

PETERSBURG, VA.

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So passes the enterprise founded by the late George M. Pullman.

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#### PETERSBURG, VA. PROGRESS INDEX

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## UCT 3 1943 Pullman Offers **Court New Plan**

PHILADELPHIA, PA. INQUIRER Cir. D. 477,754-S. 1,320,796

vicing of deluxe equipment.

If the proposal is accepted by the tional activities trust prosecution, has existed illegal- it under advisement. ly for over 40 years

paid \$30,000,000 in cash and the balance in equipment trust certificates

If, however, the railroads which are now operating Puliman equipment, wish to take up their option and purchase the deluxe rollingstock, they may do so, the plan stipulates.

#### VALUATIONS SET

Puilman, Inc., lists its heavyweight and tourist cars, 10 laundries, six shops, together with material and supply inventories, at \$41,168,551. As separate item it places a value of \$39,156.671 on a group of lightweight sieening and composite cars that have been built, or are being built for railroads.

In outlining the purpose of the Railway-Pullman Sleeping Car Co., the plan proposes that it would be "formed by railroads or railroad groups most interested in the future handling of the sleeping-car business.

#### CAN ACCEPT OR REJECT

Moreover, railroads are privileged to accept or reject membership in the new corporation, but the sleep-ing car company would "authorize the conduct of the sleeping car business and the furnishing of sleeping car service to all roads alike, regardless of participation in stock ownership of the company."

If both the court and the Interstate Commerce Commission approve the plan, Pullman will have one year in which to put the plan into effect.

The Government proceeded against the Pullman company, July 12, 1940, charging that for 40 years it had been violating the Sherman and Clayton anti-trust laws by its virtual illegal monopoly in the sleeping and deluxe car business on the railroads.

After a long trial, the company was found guilty and the Government's charge was sustained by the court. When the order for the divorce was fixed last May, Puilman had until Oct. 5 to declare its intentions.

#### ORDER NOT CONTESTED

Complying with a Federal Court The company did not offer to order issued in May, Buliman, Inc., contest the order. In a letter to yesterday submitted to the Federal stockholders, D. A. Crawford, pres-present court, here, its plan to man-fear that the Supreme Court might ufacture sleeping cars, and divorce not elect to give the company free-Itself rom the operation and ser- dom of choice as to whether to re-tain the manufacturing or opera-

The order of last May was fixed by Federal Court and approved by the Federal Judges John Biggs, Jr., Ai-Interstate Commerce Commission, it bert B. Maris, and Herbert F. Goodwill bring to an end a monopoly that, rich. and these same judges rethe Government charged in its anti- ceived the plan yesterday and took

If the pian is approved, a stipula-**LAN NEW CORPORATION** tion is contained in it that all of-The foundation of the plan pro-fleers and employee of the sleeping posed by the company is that a new car company be retained by the new corporation. to be known as the raincad-swined company, with the Raitway-Puilman Sleeping Car Co. with down of the clerical staffs, be formed to aborb the equipment, who would be retained by the main start of the clerical staffs, 345 222, and that Puilman, Inc. he lac. tion is contained in it that all of-

#### NEW YORK, N. Y. MORNING WALL ST. JOURNAL

OC1 1 1 1944

#### Pullman Inc.-

The sieeping car business which Pullman Inc., has offered to sell to the railroads is continuing to set records in miles traveled and passengers carried. In the first seven months of 1944, 21,090,061 (revenue and non-revenue) passengers traveled more than 16.5 billion passenger miles compared with about 18% million passengers and 14.5 billion passenger miles in the like period of 1943. The greater number of workers and higher wages raised the firm's payroll from \$32,-195,344 in the first seven months of last year to \$45,532,124 this year. Operating income of Pullman Co. in the first seven months of 1944 was \$200,000 higher than last year. Savings in the Federal tax bill more than offset the decline in revenues before taxes. The plan for disposal of the sleeping car activity provides for the sale of the business and its properties for \$81 million. The plan will become effective within one year if it is approved. Pullman Inc., has suggested the formation of a new corporation, to be called the Railway Pullman Sleeping Car Co. It would be taken over and operated by the various railroads on a pro-rata basis. The sleeping car subsidiary is being disposed of to comply with a court order that the parent firm divest itself of either its sleeping car business or its manufacturing business.

PHILADELPHIA, PA. INQUIRER Cir. D. 477,754-S. 1,320,796

UCT 3 1943

## Pullman Offers Court New Plan

vicing of deluxe equipment.

If the proposal is accepted by the tional activities trust prosecution, has existed illegal- it under advisement. ly for over 40 years.

JANN NEW CORPORATION The foundation of the plan pro-greed by the company is hird as employes of the sleeping company is present the sleeping company is present as the scenario scenario scenario scenario company is present as the scenario scenario scenario scenario company is an experiment of the scenario static sportseed by the company at \$31, who would be relained by Pullman, 35222, and that Pullman. Inc., be Jac. ance in equipment trust certificates.

If, however, the railroads which are now operating Pullman equipment, wish to take up their option and purchase the deluxe rollingstock, they may do so, the plan stipulates,

#### VALUATIONS SET

Pullman, Inc., lists its heavyweight and tourist cars, 10 laundries, six shops, together with material and supply inventories, at \$41,168,551. As a separate item it places a value of \$39,156,671 on a group of lightweight sleeping and composite cars that have been built, or are being built. for railroads.

In outlining the purpose of the Railway-Pullman Sleeping Car Co. the plan proposes that it would be formed by railroads or railroad groups most interested in the future handling of the sleeping-car business

#### CAN ACCEPT OR REJECT

Moreover railroads are privileged to accept or reject membership in the new corporation, but the sleeping car company would "authorize the conduct of the sleeping car business and the furnishing of sleeping car service to all roads alike, repardless of participation in stock ownership of the company.

If both the court and the Interstate Commerce Commission approve the plan, Pullman will have one year in which to put the plan into effect.

The Government proceeded against the Pullman company, July 12 1940, charging that for 40 years it had been violating the Sherman and Clayton anti-trust laws by its virtual illegal monopoly in the sleeping and deluxe car business on the railroads.

After a long trial, the company was found guilty and the Government's charge was sustained by the court. When the order for the divorce was fixed last May, Pullman had until Oct, 5 to declare its intentions.

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OCT 4 - 1944

SPRINGFIELD, MASS. REPUBLICAN Cir. D. 12.360

## PULLMAN EFFORT **TO SATISFY COURT**

need estimated that if the plan were less thin mean acousty to the outsung-tion, would worth anyow planten, known, others believe there is still 135 to 150. Puilman opened the morn. room for huprovement under com-ing at 47%, dwor %, compared with petition by such railroads as New the year's high and low of 52% and York Ceutral and Pensyivania. 37%.

Announcement that Pulman had versant tout runnan is going to get plana to sell its alseping act bushness Best for from the sale of the sub-to the railroads does not mean the maining subsidiary, however, Pul-the sub bought by the government man-Standard Car Volation of the Sherman antitrust including freight cars, has a good with the railroads and at the same outlook in meeting the demands of time manufacturing rolling static and the same outlook in meeting the beginning of the battle in July 1940, the the sherman in means only the beginning of the battle listochur of a sheping around in the same outlook in meeting the demands of time manufacturing rolling states and in April, 1943, the United States district court at Philadelphia unani-mously decided to uphoid the govern-ing car business from its business of car manufacturing rolling stamples Announcement that Pullman had plans to seil its sleeping car business to the railroads does not mean the

ing car business from its business of car manufacturing "by the simplest method." Pullman was given a specific time to decide how it would comply with the court ruling and an additional year Was granted to carry out the separation. Today's news means only that Pullman will make a start in an effort to get \$\$1,325,000 through sale of its sleeping cars to a new company to be formed jointly by the rallroads

railroad of any importance can No No rallroad of any importance can get along without sheeping car and parlor car sequice. What Pullman would like to do would be to get all of the rallroads to have an interest in the new company that will buy and operate the equipment. But it ap-pears that one important rallroad,

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This action was taken, they say. "in order to carry out therequirements of the decree entered recently in the U.S. District Court at Philadelphia in the government's antitrust suit against the Pullman group of companies."

By that decision the company could either manufacture or operate sleeping cars. but not both. Of the two the company prefers to make the cars, and to let some one else run them.

Whether that means a change in an historic name remains to be seen. After some early competition from the Wagner manufacturers, Pullman has been alone for a long period. It will take time to learn another name ----V----

Senator Soaper says that Candidates Roosevelt and Dewey are distant cousins. And that's what makes their speeches sound like high words at a family reunion.

127

SPRINGFIELD, MASS. REPUBLICAN Cir. D. 12.360

0CT4 - 1944

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Plan to Sell Sleeping Car Burchase of the sleeping car

Plan to Sell Sleeping Car <sup>semi</sup> Business to Ralicoads May new the introduction of the second control of the s

of its cur building from its sheeping effort. The cur building from its sheeping effort. The tribert Stores are the close of the market here yester. Fat sheed of fortist countries in day a plan for selling its sheeping sheeping curves and partor car ervice. Car localeses to the raincask for Some provide ut the financial district sheeping such a plan has been a mat. exhip and operation by the railroads sheeping such a plan has been a mat. exhip and operation by the railroads ter of common knowledge and it has of the curves in the rain of the sheeping such a plan has been a mat. carried out the shares of Pullman, ing Pullman service this country has inc., would be worth anywhere from known; others believe there is still  $^{555}$  to \$70, Pullman opened this morn-room for improvement under com-lug at  $473_4$ , down  $4_4$ , compared with pelition by such railroads as New the year's high and low of  $523_4$  and York Central and Pennsylvania. 3710.

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Pennsylvania, aiready has decide that it does not care to participate with other railroads in owing and operating such service, that it will have service of that sort of its own. When Pullman made its contracts with individual railroads, the con-tracts included the right of the rail-road to hut the Pullman equipment FAR FROM ENDED recise this right. Whether other rail-roads will do likewise remains to be

Coost down of with raiss off .94. better with its own sleeping car and Pullman, Inc. yielding to an order partor car service. As far as is known, of the federal district court at Phil. New York Central, another good cus-sdelphia for a complete divorcement tomer of Pullman, has made no de-of Its car building from its sleeping cision.

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127

#### CLEVELAND, O. PLAIN DEALER Cir. D. 218,415-5, 405,226

### OCT 1 ' 101 '

#### NEW DEAL "JUSTICE"-I

trust division of the New Deal's Department of the type that stifles competitive enterprise, but Justice superficially, it would be concluded that that it is a deliberate misuse of the technicalities this branch of the administration has been head- of the antitrust laws to break down normal, ing in exactly the opposite direction from the healthy industrial and business management. rest of the New Deal.

on the theory that free enterprise is an outmoded a monopoly, in which, after a trial lasting nearly economic system, that competition is wasteful, and three years, the company was found not guilty that efficient management of the production and on every one of the 140 counts. During the trial distribution of wealth in this complex machine one of Arnold's trial assistants proved the age calls for monopolistic control and operation monopoly charge was a fraud by leaving the case under government regulation or ownership.

The New Deal's first great economic experiment, the Aluminum Co.'s competitors. the NRA, was the negation of free enterprise and There is the monopoly charge brought against competition. It compelled every industry, every the Associated Press in the face of the fact that business and every service institution in the coun- the Associated Press has two strong and successtry to combine with others in its same field of ful competitors in the newsgathering field; despite endeavor to fix prices or rates. Anyone who the fact that the A. P. is utterly without power conducted his business within the law as defined to prevent a single American newspaper from by the antitrust acts became automatically a getting all the news it wants anywhere in the criminal

first Thurman Arnold and then his successor, the framers of the antitrust laws conceived the Wendell Berge, to wage what seems on the surface term. to be the most determined crusade against mo- . There is the action taken to force the Pullman nopoly the country has ever seen, and this in the Co. to divest itself either of its manufacturing midst of the war when by necessity and agree- business or of its Pullman car operating business, ment competition has been suspended.

genuine contradictions in New Deal policy with its rates and other activities controlled by throughout the last 11 years, the activities of the the Interstate Commerce Commission, the Pullman Biddle's Department of Justice is not one of them, benefit of both the railroads and the riding public This is not a real crusade against monopoly. It is as it never will when split into two parts. merely part of a planned program of harassing There is the suit against the western railroads private industry; just another of the weapons the to break up a system of co-operative rates and New Deal is making use of to put an end to free practices which were ordered by the Interstate enterprise in America and bring the nation's Commerce Commission in the public interest. productive processes under the control and ulti- Consider the fact that out of 603 individuals mately the ownership of the government,

former professor of constitutional law, who spent the others did not even go on trial because the more as an assistant attorney general in the cases, Roosevelt administration.

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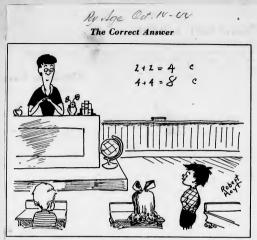
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"To 'biddle' means to persecute, annoy, or otherwise disturb a man when he is busy at an important job."

An Geo. Kelly.

To note, new work to be added to our dictionary

The Chicago Daily News Oct. 27, 1944

## EXPECT DELAY IN PULLMAN CAR SEGREGATION

BY HERMAN GASTRELL

Don't be surprised at a war-inspired postponement of the seg-regation of Pullman, Inc., and the Pullman Co., which operates the sleeping-car business of the nation's railroads.

tion's railroads. Under the consent decree en-tered in the U.S. District Court last May, Pullman, Inc., has until Oct. 5, 1945, to dispose of its trans-portation affiliate. In accordance with that decree, a plan was sub-mitted early this month for the sale of its cars and services to a new compression owned and onernew corporation owned and oper-ated by the railroads.

The District Court at Philadel-The District Court at Philadel-phia took under advisement the plan for organizing the proposed Railway Pullman-Sleeping Car Co, and in the meanwhile rumors are in circulation as to the next step in the corporate divorce proceedings.

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#### Basis for Request.

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Giving impetus to the probabil-ity of a delay beyond that original Oct. 5, 1945, effective date is the lack of unanimity among the rail-roads themselves as to the desir-

released not iddet easy soundary released for other recease This group of rail executives Raiway-Pisten Disents. One System Disents. Interested in a car pool plan. Interested in a car pool plan. Meanwhile, committee represent-ing the Eastern and Western rail. ing the Eastern and Western rail-roads are trying to find a common

formation of a Railway-Pullman Sleeping Car Co. has both sup-porters and determined critics.

A second group takes the atti-tude that acquisition of the more modern Pullman rolling stock, of the type now on the crack eastern trains would be fine

#### **Options** a Problem.

To quote an informed source:

"Roads operating this type of equipment have an option to purchase. . . It is exceedingly unlikely that these cars would be released for other roads."

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It may also be pointed out that to try to bring in a new ownership and operations group before the job of demobilization is ended, butor at least past its peak, will add decidedly to the problems of the reconversion period.

Giving impetus to th eprobability of a delay beyond that original Oct. 5, 1945, effective date is the lack of unanimity among the railroads themselves as to the desirability of the car pool system that is the backbone of the proposed Railway-Pullman Sleeping Car Co.

#### One System Dissents.

One big Eastern system has already announced that it is not interested in a car pool plan. Meanwhile, committees representing the Eastern and Western railroads are trying to find a common ground of agreement among their members.

railroads seems pretty sharply sleeping car subsid divided. The proposals for the the war continues.

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"Roads operating this type of equipment have an option to purchase. . . . It is exceedingly purchase. . . . It is exceedingly unlikely that these cars would be released for other roads."

This group of rail executives at present inclines to the opinion that it might be better to place orders for ultra-modern streamlined equipment than to pool rolling stock that is rapidly falling into the obsolescent class.

All of which makes early re-ports by the eastern and west-ern rail committees on the Pullman plan exceedingly improbable ads are trying to ind a common ound of agreement among their , , and for the virtual certainty embers. At present, opinion among the lineads seems pretty sharply sleeping car subsidary as long as

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Jall St. Journal Oct. 11, 1944

## WALL ST. JOURNAL 10/10/44

The sleeping car business which Puliman Inc., has offered to seil to the railroads is continuing to set records in miles traveled and passengers carried. In the first seven months of 1944, 21,090,061 (revenue and non-revenue) passengers traveled more than 16.5 billion passenger miles compared with about 18% million passengers and 14.5 billion passenger miles in the like period of 1943. The greater number of workers and higher wages raised the firm's payroll from \$32.-195,344 in the first seven months of last year to \$45,532,124 this year. Operating income of Puilman Co. in the first seven months come of Pullman Co. in the first seven months of 1944 was \$200,000 higher than last year. Savings in the Federal tax bill more than offset the decline in revenues before taxes. The plan for disposal of the sleeping car and its properties for the sale of the business and its properties for \$81 million. The plan will become effective within one year if t is approved. Pullman Inc., has suggested the formation of a new corporation, to be called the Railway Pullman Sleeping Car Co. It would be taken over and operated by the various railroads on a pro-rata basis. The sleeping car subsidiary is being disposed of to comply with a court order that the parent firm divest liself of either its sleeping car business or its manufacturing business. . . .

Chicago Tribune Nov. 15, 1944



Wednesday, Nov. 15, 1944. [Copyright: 1944: By The Chicago Tribune.] BUDD'S FIELD WIDENED

Please tell me how the Pullman anti-trust decision affects the postwar prospects of Edward G. Budd Manufacturing company.-E. W.

Under federal cout decres the Puilman siegeng car operating business and car manufacturing of exclusive dealings between Puilde exclusive dealings between Puilard Car Manufacturing company is forbidden. During the interim hetween the court dealism and actual expansion of these two companies from common ownership thru Puilman, Inc., the sleeping car unit is and the term of the lowest bid der.

Thus the sleeping car manufacturing opportunities are opened more widely to other car builders, including Budd, a leader in the construction of lightweight trains. Budd has made sleeping cars for such trains as the Santa Fe's Super Chlef, for example, and the management intends to seek some of the more extranly car buildens that will be available as a result of the court action.

Company officials predict that most if not all, of the future sleeping car construction will be of the lightweight type. Budd trains are built of high tensils stainless steel. At present the company's facilities are devoted to war work.

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Nov. 10, 1944



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BUDD'S FIELD WIDENED. Picase tell me how the Pullman anti-trust decision affects the postwar prospects of Edward G. Budd Manufacturing company.-E. W.

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#### **TRAVEL ITEMS, DECEMBER 1, 1944**

#### EDITORIAL

#### Pullman

The enforced segregation of the Puil-man properties and the probable purchase of the car-operating company by the railroads imposes an obligation upon the latter which is as important as any which they have assumed. For more than 80 years, Pullman has stood for all that was "tops" in travel service. Not that it did not develop occasional flaws-just as occurs everywhere-but, by and large, it created an enviable reputation for carrying efficiently, courteously, defily and safely for its patrons; so much so, in fact, that it became a mark of distinction to be a Puilman traveler.

If the railroads take over the Pullman Company intact, with all of its highly-trained personnel as well as its staff officers, there is every reason to believe that the sleeping-car service may continue to function with its former precision. (The parlor cars are to be sold separately, it appears, and will be operated by such railroads as wish to maintain that important phase of their service.) But the first evidence that Puliman may no longer be a nation-wide unit, even if under the railroads aegis hereafter, comes in the news that the Pennsylvania Rallroad proposes to operate its own sleeping-car service in the future, buying from Pullman such equipment as it may need to fill its runs. What other roads may do is not immediately apparent, but presumably others may emulate Pennsylvania's lead.

Thus, there appears to be the first crack in a nation-wide operation of what was "Pullman." It would seem unfortunate were the remainder of the operations to be taken over by a miscellaneous group of railroads, labelled the "Railway Sleeping-Car Agency," similar to "Railway Express Agency," and have the nameboard of the cars painted with that unglamorous desig-nation. But whatever the outcome of this unfortunate situation may be, a serious obligation is imposed upon the railroads to continue in its finest tradition the example which Pullman has established and maintained for nearly a century. Travelers judge railroads more by what they themselves see on rains than in any other way; and, raturally, Pullman patrons are the more affluent type, to whom a favorable impression is the more advantageous, from pression is the more advantageous, roln a business standpoint. If the railroads, collectively or individually, take over the Pullman operations, they will do well to exert every effort to maintain the traditional Pullman service.

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Chicugo Journal of Commerce

## January 3, 1946 Western Rails Sue to Dismiss **Trust Charge**

#### **Nelson Approval of Joint** Action and Role in War **Effort Basis for Petition**

LINCOLN, Neb., Jan. 2 (Special). -Motions were filed in the United States district court here today by counsel for the Western Association of Railway Executives to dismiss an antitrust suit charging 47 railroads and 90 railroad and banking officials with conspiracy to maintain noncompetitive rates and monopolize transportation in the western United States.

In the event dismissal is denied, motion was made for a bill of par-ticulars, railroad counsel asserting ticulars, railroad counsel asserting that much of the government's com-plaint was vague as to time, place, and character of allegations. Dismissal of the case was asked on

the ground that Congress on June 11, 1942, passed Public Law No. 603 suspending antitrust prosecution of industries wholeheartedly engaged in activities toward winning the war. Nelson Approval Cited

The railroads, the motion con-tended, were placed in this category in March, 1943, when Donald M. Nelson, then the chairman of the War Production Bcard, issued the board's certificate No. 44 advising the attorney-general he approved of joint action by the carriers through rate bureaus, rate conferences, other similar organizations for the "initiation and establishment of common carrier and freight for-warder rates, fares and charges, and carrier and forwarder regulations and practices" subject to approval of the Interstate Commerce Commission which was forthcoming April 15, 1943.

The conference method of making The conference method of making freight rates, an accepted practice for more than 35 years was referred to as collusive in the government's allegations in the over-all charge of compiracy and monopoly. Hits Validity of Charge The motion observed that the gov-ernment's suit, filed here last Au-gust. "Is with reference to much

gust, "Is with reference to such alleged joint rate action and may" not be commenced under the anti-trust laws of the United States by reason of the express prohibition against the same contained. In Sec al such that the state of the sec therefore the complaint fails to state a claim upon which relief can be, granted, this court is without juris-dicion of the subject matter, and the plaintiff is without capacity to sue herein."

In the alternative, motion was made that all reference to the "initiation and establishment of charges and cartier regulations and practices," and all reference to "alleged monopoly, attempt to mono-polize, or combination and compiracy to monopolize" be stricken from the governmente complaint.

NEWCASTLE, PA. NEWS

## JAN 19 1945 **Conductors** Protest Action By Company

PHILADELPHIA, Jan. 19.—(INS) —The Order of Railway Conductors of America today held the right to intervene in the government's anti-trust suit against the Pullman com-pany to protect them just which might be affected by the case. . Plice Inventication, representing

The organization, representing 2900 conductors employed by the company, was granted the right in U.S. district court in Philadelphia to intervene in the suit to protect seniority, retirement and other rights that may be threatened by the court order that the Pullman combination give up either the busi-

combination give up either the bus-ness of operating sleeping cars, or that of manufacturing them. The court has not yet acted upon the company's decision to divest isself of operating sleeping cars and the conductors expressed is four, in a petition flice with the court for leave to intervene, that if the Pull-han company, is allowed to sell the sleeping car business, many of them who have been with the company for 20 years or more would be lineorm suit of work.

#### TRAVEL ITEMS, DECEMBER 1, 1944

#### EDITORIAL

#### Pullman

The enforced segregation of the Pullman properties and the probable purchase of the car-operating company by the railroads imposes an obligation upon the latter which is as important as any the latter which is as important as any which they have assumed. For more than 80 years, Pullman has stood for all that was "tops" in travel service. Not that it did not develop occasional flaws-just as occurs everywhere-but, by and large, it created an enviable by and large, it created an enviable reputation for carrying efficiently, courteously, deftly and safely for its patrons; so much so, in fact, that it became a mark of distinction to be a Pullman traveler.

If the railroads take over the Pullman Company intact, with all of its highly-trained personnel as well as its staff officers, there is every reason to believe that the sleeping-car service may continue to function with its former precision. (The parlor cars are to be sold separately, it appears, and will be operated by such railroads as wish to maintain that important phase of their service.) But the first evidence that Pullman may no longer be a nationwide unit, even if under the railroads' aegis hereafter, comes in the news that the Pennsylvania Railroad proposes to operate its own sleeping-car service in the future, buying from Pullman such equipment as it may need to till its runs. What other roads may do is not immediately apparent, but presumably others may emulate Pennsylvania's lead,

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In the event dismissal is denied, motion was made for a bill of par-ticulars, railroad counsel asserting that much of the government's complaint was vague as to time, place, and character of allegations.

Dismissal of the case was asked on the ground that Congress on June 11, 1942, passed Public Law No. 603 suspending antitrust prosecution of industries wholeheartedly engaged in activities toward winning the war.

Nelson Approval Cited

The railroads, the motion contended, were placed in this category in March, 1943, when Donald M. Nclson, then the chairman of the War Production Bcard, issued the board's certificate No. 44 advising the attorney-general he approved of joint action by the carriers through rate bureaus, rate conferences, or other similar organizations for the "initiation and establishment of common carrier and freight forwarder rates, fares and charges, and carrier and forwarder regulations and practices" subject to approval of the Interstate Commerce Com-April 15, 1943.

The conference method of making freight rates, an accepted practice for more than 35 years was referred to as collusive in the government's complaint, was one of the principal ailegations in the over-all charge of conspiracy and monopoly. Hits Validity of Charge

The motion observed that the government's suit, filed here last Au-gust, "is with reference to such alleged joint rate action and may not be commenced under the antitrust laws of the United States by reason of the express prohibition against the same contained in Sec-tion 12 of Public Law No. 603, and therefore the complaint fails to state a claim upon which relief can be granted, this court is without jurisdiction of the subject matter, and the plaintiff is without capacity to sue herein."

In the alternative, motion was made that all reference to the "initiation and establishment of common carrier rates, fares and charges and carrier regulations and practices," and all reference to "alleged monopoly, attempt to monopolize or combination and conspiracy to monopolize" be stricken from the government's complaint.

#### NEWCASTLE, PA. NEWS

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#### NEWCASTLE, PA. NEWS

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#### Cir. ID 13.0971

This Clipping From NORRISTOWN, PA TIMES-HERALD

#### JAN 1 9 1945

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### EASTON, PA. EXPRESS JAN 19 1945

#### **Conductors Enter Suit** Against Pullman Firm

PHILADELPHIA, Jan. 19 (INS)-The Order of Railway Conducton The Order of Railway Conducton to Intervene in the government's anti-frunt suit against the Pullmas Co. to protect their jobs which may be conducted by the South of the the conductor semployed by the company, was granted the right in U.S. District Court in Philadelphia

U. S. District Court in Philadelphia to intervene in the suit to protect seniority, retirement and other rights fast may be threatened by combination give up either the busi-ness of operating sleeping cars, or that of manufacturing them, the company's decision to diverse in-self of operating sleeping cars and be company's decision to diverse in-self of operating sleeping cars and continue their manufacture. The conductors expressed the fear that the company for 20 years or more

the company for 20 years or more would be thrown out of work.



#### **Conductors to Take** Part in Pullman Suit

Philadeiphia, Jan. 19 (AP) - The Order of Railway Conductors of America was granted the right to intervene in the government anti-trust suit against the Pullman Com-pany yesterday by the U. S. district court here. The company announced that it

would give up operation of Pullman cars after it was ordered to end either operation or manufacture of the cars. Court approval of the move has not yet been given. The petition of the ORCA, which

represents 2,900 Puilman employes, states that it hopes to urge the court to have the labor contract taken over by the purchaser of the operating company, if such transfer is approved.

#### Cir. (D 4.590)

This Clipping From GREENVILLE, PA RECORD ARGUS

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### WILKES-BARRE, PA TIMES-LEADER-NEWS Cir D 47 054 JAN 191945 Conductors Given

**Right To Intervene** /Right 10 intervene Philodelphia, Jan. 19.–49–The Order of Railway Conductors of America was granted the right to further the second second second second party order days by the U.S. District The total second second second second would give up operation of Pull-man cars after it was ordered to end the cars. Court approved of the "The bas not yet been given." "There has not yet been given." "There has not yet been given." "There are a the second second second "the second second second second second "the second second second second second the cars. Court approved of the "There is a second second second the second second second second second states that it hopes to urge the court is have the labor contract taken ing company, if such transfer is po-proved.

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#### Circ. (D 7,660)

#### This Clipping From BLOOMSBURG, PA. MORNING PRESS

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#### CONDUCTORS' PLEA GRANTED

Given Right to Intervene In U. S.

The Railway Conductors of America, a union representing 2,900 conductors employed by <u>Puliman Co.</u> Inc., was granted the right in Feder-al Court yesterday to intervene in the Government's anti-trust suit against the company.

against the company. Circuit Court Judge John Biggs, Jr., signed the decree allowing the petition of A. G. Wise, executive vice president of the union.

Wise, declaring that many of the conductors have been with Puliconductors nave been with Pull-man for more than 20 years and that their average age is 55, express-ed a fear that they would lose their jobs and benefits under a labor con-tract if Pullman is allowed to sell its sleeping car business.

The companyhas elected to give up operatoin of the cars.

Circ. (D 9,741)

This Clipping From LEWISTOWN, PA. SENTINEL

#### JAN 2 2 1945 RAIL CONDUCTORS MAY PROTECT JOBS

Philadelphia-The Order of Rail-way Conductors of America today held the right to intervene in the government's anti-trust suit against the Fellman Company to protect their jobs which might be affected by the case,

The organization, representing the 2900 conductors employed by the company, was granted the right in U. S. District Court in Philadel-phia to intervene in the suit to phia to intervene in use sum we protect seniority, retirement and other rights that may be threaten-ed by the court order that the Pullman combination give up inter the business of operating either the business of operating sleeping cars, or that of manufacoperating turing them.

The court has not yet acted upon the company's decision to divest itself of operating sleeping cars and continue their manufacture.

The conductors expressed the fear in a petition filed with the court for leave to intervene, that if the Puliman Company is allowed to sell the sleeping car business many of them who have been with the company for 20 years or more would be thrown out of work,

Cir. (D 13.097)

This Clipping From NORRISTOWN, PA. TIMES-HERALD

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### FASTON, PA. EXPRESS JAN 19 1945

#### **Conductors Enter Suit** Against Pullman Firm

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LEHIGHTON, PA. LEADER Cir. D. 2,543

## JAN 191945

#### **Conductors** to Take Part in Pullman Suit

Philadelphia, Jan. 19 (AP) - The Order of Railway Conductors of America was granted the right to intervenc in the government antitrust suit against the Pullman Com-pany yesterday by the U. S. district court here.

The company announced that it would give up operation of Pullman cars after it was ordered to end either operation or manufacture of the cars. Court approval of the move has not yet been given. The petition of the ORCA, which

represents 2,900 Pullman employes, states that it hopes to urge the court to have the labor contract taken over by the purchaser of the operating company, if such transfer is approved.

Cir. (D 4.590)

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#### WILKES-BARRE, PA. TIMES-LEADER-NEWS Cir. D. 47.054

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#### PHILADELPHIA, PA. BULLETIN Cir. D. 639,110

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The organization, representing the 2900 conductors employed by the company, was granted the right in U. S. District Court in Philadel-phia to intervene in the suit to protect seniority, retirement and other rights that may be threatened by the court order that the Pullman combination give up either the business of operating sleeping cars, or that of manufacturing them

The court has not yet acted upon the company's decision to divest itself of operating sleeping cars and continue their manufacture.

The conductors expressed the fear in a petition filed with the court for leave to intervene, that if the Puliman Company is allowed to sell the sleeping car business many of them who have been with the company for 20 years or more would be thrown out of work,

#### Cir. (D 5,420)

This Clipping From LOCKHAVEN, PA. EXPRESS

## JAN 2 2 1945 Conductors Intervene

## In Pullman Suit

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it would give up operation of Pullman cars after it was ordered to end either operation or manufacture of cars. Court approval of the move has not yet been given.

The petition of the ORCA, which represents 2,900 Puliman employes, states that it hopes to urge the court to have the labor contract taken over by the purchaser of the operating company, if such transfer is approved.

#### Circ. (D 28.318) This Clipping From

NEW YORK, N. Y. MORNING WALL ST. JOURNAL

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This Clipping From NEW YORK, N.Y. JAN 23 1945

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CHICAGO IOURNAL OF COMMERCE

Chicago, Ill.

JAN 27 1945

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The court on May 8 directed removal of the sleeping car branch of the Pullman Company from the company's car manufacturing branch

The company elected to keep the car manufacturing branch and sell the sleeping car unit. It has suggested a plan to the railroads now using its sleeping car service to purchase that branch and take over

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#### N.Y. Times Feb. 20. 1945

PULLMAN PLAN, OPPOSED Berge Files Objections to Pr posal He Calls 'Unclear'

PHILADELPHIA, Feb. 19 (IE)-Wendell Berge, Assistant United States Attorney General, filed ob-jections today in Federal court to the Pullman Company's plan for separating its sleeping car and manufacturing businesses, assert-ing it was "unclear and ambiguous

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#### Eve, Star Jash. Feb. 20, 1945



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Wendell Berge, Assistant Attorney General in charge of the antitrust division, told the United States District Court the plan was merely a Pullman offer to get out of the serv-icing business entirely. This, he said, would be "catastrophic" to the public and railroads.

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#### CHICAGO JOURNAL OF COMMERCE

#### Chicago, Ill.

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PULLMAN PLAN OPPOSED

PHILADELPHIA, Feb. 19 (UE)-Wendell Berge, Assistant United States Attorney General, filed objections today in Federal court to the Pullman Company's plan for separating its sleeping gar and manufacturing businesses, asserting it was "unclear and ambiguous."

Representing the department's anti-trust division, Mr. Berge declared the plan did not comply with a United States District Court decree to dissolve the company's forty-year-old monopoly on servicing and manufacturing railroad siceping cars.

He contended that the court's He contended that the court's final decree, entered by a three called for a complete separation of called for a complete separation of business, and that Pulman's plan did not fulfill it. He said Pulman is offering to retire from the sleeplies of manages, wireas he do must provide for its operation by other individuals. Berge said Pulman's suggestion that railroads give anyone else the pool does not give anyone else the pool

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Mr. Berge asked rejection of the plan as "ambiguous" and failing to comply with intentions of the court, which ordered the separation.

He suggested that the court order Pullman to sell its stock in its servicing business not only to railroads, but to any other interested group. Pullman had proposed to sell the stock to a pool of railroads.

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## U. S. Opposes Pullman Separation Proposal

#### By the Associated Press.

PHILADELPHIA. Feb. 20.—Pullman. Inc's, plan to separate its car manufacturing and sleeping car servicing businesses is opposed by the Justice Department.

Wendell Berge, Assistant Attorney General in charge of the antitrust division, told the United States District Court the plan was merely a Pullman offer to get out of the servlong business entirely. This, he said, would be "catastrophic" to the public and rairoads.

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Chicago Tribune February 20, 1945

## Berge Asks Court to Reject Pullman Plan of Separation

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Philadelphia, Pa., Feb. 19 (P) .- man-Standard Car Manufacturing

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#### Chicago Herald-American February 20,1945

## **Reject Pullman** Plan, U. S. Asks

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Wendell Berge, assistant attor-ney general in charge of the anti-trust division of the Justice De-partment, filed objections to the plan, describing it as "unclear and ambiguous" and not com-plying with the court's order that there be a complete separation of the two branches of the company's business.

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#### Chicago Journal Of Commerce February 20, 1945

## **Pullman Splitup Plan's Rejection** Asked by Berge

PHILADELPHIA, Feb. 19 (AP) The antitrust division of the De-Inc. for the separation of the De-partment of Justice asked the third United States district court to re-ject the plan submitted by Pullman, Inc., for the separation of its sleep-ing car servicing business from its

ing car servicing business from its car manufacturing interests. Wendell Berge, assistant attor-ney general in charge of the anti-trust division, said the company's plan is unclear and "ambiguous" and deservice accurate accurate and the accurate and deservice accurate ac and doesn't amount to complete separation of the two businesses.

The assistant attorney general said the present plan does not com-ply with the intention of the court which on Jan. 22, 1944, ordered the company to separate its manufac-turing business from its servicing activities.

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#### Chicago Sun February 21,1945

## U.S. Attacks Plan To Divide Pullman

PHILADELPHIA, Feb. 20.--(UP)--The federal government has filed objections to the Pull-man Co. plan to separate its sleep-ing car manufacturing and opera-tional business as directed in an anti-trust decision nine months ago

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Wendell Berge, assistant attorney general in charge of the antitrust division, said the company's plan is unclear and "ambiguous" and doesn't amount to complete separation of the two businesses.

The assistant attorney general said the present plan does not comply with the intention of the court which on Jan. 22, 1944, ordered the company to separate its manufacturing business from its servicing activities.

Mr. Berge said the plan proposed by Pullman, Inc., is merely an offer to get out of the sleeping car servicing business entirely which, he added, would be "catastrophic" to the public and the railroads.

Pullman, Inc., is the parent of Pullman Co., which operates the sleeping car service, and Pullman Standard Car Co., which manufactures the cars.

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"Barge terms of the Pullman plan "unclear and ambiguous." Pullman's plan provided for disposal, of its sleeping car business and properties for an estimated \$81, 000,000. The plan proposed the formation of the Railway Pullmans Sleeping Car Co., a new corporation to be operated by various Theodorom a y man autorestimation of the Theodorom a y man autorestimation.

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Wall St. Journal February 20, 1945

## U.S. Asks Court ToRejectPullman Separation Plan

Berge Charges It Does Not Free Sleeping Car Business And Manufacturing

**Complete Cleavage Is Sought** 

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The Government's position is that the plan submitted by Pullman is nothing more than an after to retire from the sieeping car business, whereas the court's decree specifically provides that it must bring about a complete separation with the objective of someone electaking over the sleeping car business and operating it.

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Conditions Stated

1. Pullman Inc., should be required to sell all the stock or all the physical properties of the Pullman Co.

 Pullman should be required to deal with any prospective purchaser or purchasers who may be interested in acquiring all or part of the assets or stock of the Fullman Co.

 Whatever disposition is made of the stock or assets it should contemplate the use of the sleeping car pool by the traveling puolic upon the railroads of this country.

4. The Pullman Co. should be required to competitors.

sell sleeping cars to individual railroads at reasonable prices, but not for more than the depreciated value of the cars.

Other Conditions

. Mr. Berge said the final judgment should also contain these conditions:

 That the purchaser or purchasers of the sleeping car business shall sell used sleeping cars to railroads.

 That the purchasers shall at the request of any railroad, service railroad-owned sleeping cars.

3. That the purchaser or purchasers shall conduct both partial operations and throughline operations; that the purchaser or purchasers should be prohibited from using exclusive right clauses and that the purchaser or purchasers should be forbidden to acquire commentions.

Vall St. Journal February 20, 1945

## U.S. Asks Court **ToRejectPullman** Separation Plan

### Berge Charges It Does Not Free Sleeping-Car Business And Manufacturing

#### Complete Cleavage Is Sought

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### **Roosevelt vs. Private Enterprise**

President Roosevelt's legal Man Friday, Attorney General Francis Biddle, has just started another of those anti-trust suits of which he and his boss are so fond.

This latest suit is against the American Association of Railroads, the Western Association of Railway Executives, J. P. Morgan & Co.; Kuhn & Co.; 47 railroads and their top executives, and 31 other individuals mixed up with railroading. It is charged that togother these parties have constituted a trust in some vaguely described way having to do with freight rates East and West.

The suit comes at a time when we are in two major wars, when the railroads are hauling more freight and passengers than ever before, and when almost everybody is cheering the rails for the excellent job they

Another 'Trust' are turning in. They are undermanned and overloaded. Yet they have kept accidents to rockbottom level up to now, despite deterio-

rating equipment and the difficulty of getting replacements, and they keep shuttling troops and war materials to the ports with unfailing regularity and speed.

It seems a strange time to bring such a suit—strange until you consider the general pattern into which this suit falls.

This is the same sort of thing as the anti-trust suit against the Associated Press, a large co-operative newsgathering agency which has stiff and capable competition and is therefore not a trust. The Roosevelt Administration brought that suit and pressed it to some sort of victory in the lower courts, though the Supreme Court has yet to pass on it finally.

The railroad suit, too, is of a piece with the anti-trust suit against the Pullman Co., which Biddle pressed to a Government victory. The Pullman Co., making and operating the best sleeping cars in the world, was ordered either to quit making or to quit operating them—the fraveling public to take it on the chin.

The only logical conclusion from all these things, so far as we can see, is that the Roosevelt Administration is an implacable enemy of American private enterprise and individually owned business, and is out to break up those basic American institutions if it can and in any way it can.



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#### CHICAGO JOURNAL OF COMMERCE.

### MARCH 1, 1945. **Pullman Hearing** Set for March 19

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The court will hear Wendell Berge, United States attorney general, pre-sent government objections to the sent government objections to the plan proposed by Pullman. The government attacked the plan as unsatisfactory, and as not in ade-quate compliance with a federal court order that the company dis-pose of one or the other of the two businesses.

Union representatives for three groups of Pullman employes also will be present to protest against any plan which fails to protect their jobs and other rights held under labor contracts with the company.

#### RAILROADS

#### Cars for Sale

The Assistant Attorney General of the U.S., youngish, trust-crunching Wendell Berge, was a greatly annoyed man last week. The reason: no one seemed to be in any hurry to plunk down \$81 million for the 7,121 sleeping and parlor cars, the mountains of hand towels, bed sheets, the ten laundries, etc. that Pullman, Inc. had for sale. Until a buyer could be found, the grand finale to one of Berge's most successful antitrust suits could not be written.

Last June, after Berge convinced a fed-eral court that Pullman's ownership of its sleeping-car operating company and its car-building subsidiary was a monopoly, the court ordered Pullman to dispose of one or the other.

As expected, Pullman chose to sell its car-operating company and to keep its manufacturing unit, Pullman-Standard Manufacturing Co. Then everyone sat back and waited for the railroads to form an operating company, step in and take over the sleeping cars.

To the surprise of everybody in the Department of Justice, the railroads failed to get together. Some big roads (like the Pennsylvania) have indicated that they would like to own and operate their own sleepers, just as they do their coaches. But the smaller railroads are unwilling to buy their own Pullmans. If they do, they would be stuck with a surplus of sleepers when seasonal traffic is light. Thus, five months after Pullman filed its separation plan, Berge last week fumed at the pro-posal, calling it "unclear and ambiguous." His main objection: Pullman Co. was for sale as a unit to the railroads instead of being sold piecemeal, car by car to any buyer who might come along.

Somewhere in this muddle was a middle ground that would give passengers the benefits of better service and equipment, and give the railroads the benefit of a car pool. But neither Berge nor the railroads seemed to know where to find the answer. Said Justice Department last week, "Maybe Fred Harvey will buy it."

TIME, MARCH 5, 1945

### Chicage Herald-American \* Tues., March 20, 1945-DemandPullman Sale Within Year

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He asked the judges to make it clear what the Pullman Co. had to do to comply with the court's May 8 order to dissolve its 40-year monopoly of servicing and manu-facturing Pullman railroad cars.

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CHICAGO HERALD-AMERICAN MARCH 21, 1945.

# Pullman to Rush Breakup

BY HAL THOMPSON. Separation of the sleeping car business from Pullman Inc., as decreed by the federal court in Philadelphia will be carried out as prompily as can be accomplished with due regard for the public interest, David A. Crawford, president of the corporation. informed stockholders today in his annual report.

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The statement to shareholders also disclosed earnings for 1944 of \$12,880,006, the largest since 1930 and comparing with \$8,176,-006 in the preceding year. The 1944 net was equal to \$3.99 a share as a; inst \$2,52 a share compared in 1943. Total cross income was \$352-

earmed in 1943. Total gross income was \$352,-156,722 as compared with \$415,-713,933 in the previous year. The increase in net over 1943, it was explained, was due princi-pally to the return to 1944 car-rier net earnings of \$2,743,910 from the deferred maintenance vegens originally set up in 1942. reserve originally set up in 1942

If our into the strict and the last cost of income. Production of war goods by the manufacturing subsidiary, Pull-manStandard Car Manufactur-ing Company, tokaled \$144,400,000 while rest profit, for all \$4,000,000 in the previous year. Net income of the skepsing car unit for 1944 \$4,320,447 in 1943. Operational results of the M. W. Kellong Company, fish, ara co-included in the consolidated in-come account of Pullman, Inc.

CHICAGO DAILY NEWS. MARCH 21.

### CALL PULLMAN PLAN RAIL AID

David A. Crawford, president of Pullman, Inc., said in the com-pany's annual report that its plan for retiring from the sleeping car business would assist the railroads in meeting postwar competition.

Referring to the company's de-cision to withdraw from the sleeping car operating field and remain in the car manufacturing business, after a Philadelphia federal court decreed in anti-trust litigation that it must do one of the other, Crawford said:

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#### TRAVEL DIFFICULTIES.

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His remarks were given apparently in anticipation of the government's latest pies to the Philadelphia court on Monday that the firm be compelied to dispose of its car manufacturing unit if it failed to divest itself of its sleeping car concern within one year.

Reviewing the efforts of the corporation to sell its sleeping car unit, President Crawford said that committees for each of the major rairoad regions, were formed shortly after Aug. 30, 1944 to consider the position of the carriers in respect to sale of Pullman Company. He added:

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The increase in net over 1943, it was explained, was due principally to the return to 1944 carrier net earnings of \$2,743,910 from the deferred maintenance reserve originally set up in 1942 out of income.

Production of war goods by the manufacturing subsidiary, Pullman-Standard Car Manufacturing Company, totaled 3144.000.000 while net profit for this division was 53.673.653 sarinat 32.500.343 of the sterping car unit for 1944 was 56.078.352 as compared with \$4.320.467 in 1943. Operational results of the M. W.

Operational results of the M. W. Keijogg Company which was acquired in December, 1944, are not included in the consolidated income account of Puilman, Inc. CHICAGO DAILY NEWS, MARCH 21.

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"The Pullman plan for retirement from the sleeping car business proposes consolidation in railroad ownership of the nowseparate and—in part at leastdiverse interests of the railroads and of Pullman in the transportation and accommodation phases of the sleeping car travel service.

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TRAVEL DIFFICULTIES.

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The company handled 28.3 biltion miles of passenger travel in Pullman cars in 1944, which was more than double the volume moved in the peak traffic year of 1917 in World War I.

As for the transportation outlook, President Crawford deciared "there is sittle question that railrads, private automobiles and trucks, hishway common carriers, all'innes and waterways all will have unparaileled opportunities assisting to raise the semeral living standards of the country to a new high point."

CHICAGO JOURNAL OF COMMERCE. MARCH 21, 1945.

## **Reconversion a Minor Problem** For Pullman, Crawford Asserts

#### **Extensive** Expansion **Of Facilities Mapped**

Reconversion problems will be "minor" in the rallway car manufacturing business, David A. Craw-ford, president of Pullman, Inc., told stockholders yesterday in the company's annual report.

The return to production of supplles needed in the peacetime opera tion of the railroads can be accom-plished "almost immediately," the the report sald, inasmuch as the war work of Pullman-Standard Car Manufacturing Company has largely been done in plant facilities not utilized for carbuilding prior to the

However, it was pointed out that large postwar expenditures at Pullman-Star\_ard's active plants are being planned better to equip them for the most efficient production of modern types of freight and passenger cars.

Opportunity in Sale Plan

The report described Pullman's plan for sale of its sleeping car properties to the railroads as a means of helping the railroads to meet postwar travel competition. It said the plan not only would assure a continuity of operating opportunity that is "a prerequisite for the large, long-term, new investment that can now be foreseen to be necessary to equip this service adequately to meet postwar competitive condi-tions," but would give the combined enterprise the benefit of an Integrated handling of the vital ratemaking function.

The proposal to sell these facilitles to the carriers was made last year to comply with a federal court decree in the government's antitrust suit against Pullman, which ordered Pullman to dispose either of its service unit or its manufacturing unit. Yesterday the court took under advisement a motion by the government that Pullman be ordered to sell its manufacturing business if it fails to sell its \$80,000,000 sleeping cars business within a year. Year's Income Swells

Consolidated net income for 1944 before renegotlation, the report owed, was \$12,890,006, equal \$3.99 a share, compared with adjust-ed consolidated net income in 1943 of \$8,176,006, or \$2.52 a share, after renegotiation

An important factor in the increase in net income, despite a de-cline in gross income to \$352,166,723 from \$415,713,933 in 1943, was the cline in store with 1943, was the return to 1944 carrier net earnings of \$2,743,910 from the deferred maintenance reserve originally set up in 1942 out of 1sx-paid income. Production of war goods by the manufacturing subsidiary totaled \$44,000,000 in 1944, accounting for subsidiary of the set of

combined sales and miscellaneous

142

revenues of \$185,347,804. In addition to producing landing ships and pa-trol escort vessels, the manufactur-ing division turned out wings and assemblies for Douglas transport planes, heavy-gun carriages, transport mounts, shells, bombs and trench mortars, and military railway cars, the report stated

Working Capital Falls

Reflecting principally the dis-bursement of \$18,250,000 in cash in connection with acquisition in De-cember of the M. W. Kellogg Company, the working capital of the pany, the working capital of the consolidated group, not including that held in the Kellogg Company treasury, declined \$1,831,466 to a total of \$96,864,911 at the end of 1944. Consolidated net income likewise dld not include Kellogg Company earnings.

The report points out that, following the practice initiated in 1942, the entire 1944 claim for statutory per cent postwar refund (\$2,-10 764,517) of excess profits tax has been appropriated to postwar re-adaptation reserves, bringing such reserves to a total of \$8,938,186. The 1944 claim for postwar refund and the offsetting reserve appropriation are subject to reduction equivalent to 10 per cent of any decrease in 1944 excess profits liability that may result from renegotlation of prices on that year's armament shipments.

Pullman performed a total of 12,-500,000,000 passenger miles of service in meeting the demand for long distance mass movement of troops. which required the use of roughly one-half the entire fleet of the car operating subsidiary, the Pullman Company. Including Individual milltary and civilian travel, Pullman serviced a total volume of 28,300,-000,000 miles of passenger travel-more than double that of the peak

more than double that of the peak traffic year 01917 in Wordt War 1. Prom the RCOME Construction of the Construction of the Construction Con

Net carrier earns.\$ 5,822,262 \$ 4,320,487

Sales & mise, revs.\$	185,347,804	\$282,922,882
Cost of sales, exps.	184,918,717	243,900,298
Prov. for depr	1.999.839	1.995.933
Fed. inc. taxes	14,847,779	12,828,218
Int. & exp. on VT losn	243,780	118,071
contings		500,000
Net mfg. earnings.	3.837.885	\$ 3.580.343 275,196
Cons. net inc	12.890.008 48.849,510 12.890.005	48.507,267
Adi. act. acq. of Pullman Co. shrs. Less divs. paid	_	
Less divs. paid	9,691,838	9,833,183

#### Surplus Dec. 31. \$ 80,048,314 \$ 48,849,810 CONSOLIDATED BALANCE SHEET

As of Dec. 31:	1944	1943
Current		\$213,475,154
Contracts	8,688,448	8,870,384
Deferred charges	787,888	674,179
Rouip, & prop., net	84,279,788	97,670,243
Maint, & other res.	3,372,814	8,072,095
Investments	18,843,823	913,841
Other assets	8,759,212	4,203,432

Total	 \$298.504.081	8330 070 310

Linbi	lities	
Current		\$114,778,777
Advances on contrs.	8.888,448	8,870,384
Postwar reserve	8,935,188	8,281,849
Other reserves	12,215,337	14.816.425
Deferred crs	10.476.012	10,680.778
Depital stock yester	129,195,880.	129,715,880
Burplus Co. stock.	50.048,314	46.849.510
Total Ilabilities	298,804.081	8339 079.310

#### Sell Car Firm If Sleeper Split Fails, U.S. Asks

PHILADELPHIA, March 20 (UP). —The government has asked the United States district court to order Pullman, Inc., to sell its manufa turing business, instead of its serv-loing branch, unless it produces a definite contract for the sale of the sleeping car business within a year.

The order was asked by Fowler Hamilton, assistant attorney-general, yesterday during government opposition to a separation plan filed by Pullman in answer to a court decree that the company cease its operation of one of the businesses.

The Pullman plan would have the company retain the manufacturing business, but proposed that railroads of the company form a pool to pur-chase the service business and conduct it under new management.

If such a sale could not be made, the company said it would retire from the service business. This would result in withdrawal of its cars from all rallroads.

Mr. Hamilton said such with-drawal would be catastrophic. He maintained the company has no right to walk out of the servicing business, because no other company in the nation is prepared to take

Mr. Hamilton asked Judges John Biggs, Jr., Albert B. Maris and Her-bert F. Goodrich for an immediate ruling whether the company can retire, should it fail to sell the physical assets of the serving company, or its capital stock

Postwar production plans of other manufacturers of railroad equip-ment are halted until the separation ment are halted until the separation plan is cleared, Mr. Hamilton said. George Wharton Pepper, former United States senator and counsel for Pullman, said the company was sincere" in its desire to retire from "sincere" in its desire to retire ifom the servicing business, and that it had the right to retire if no sale could be made. Mr. Pepper also said the original decree in a Sherman, antitrust suit charge gave the com-pany the right to hold either business, and that the court cannot alter its original order now.

The government was joined by six labor organizations, representing six labor organizations, representing 23,000 Pullman employes, in object-ing to the separation plan. Attor-neys said the company had made no provision for retirement pensio annulty payments and job rights held under labor contracts.

## Reconversion a Minor Problem For Pullman, Crawford Asserts

#### Extensive Expansion Of Facilities Mapped

Reconversion problems will be "minor" in the railway car manufacturing business, David A. Crawford, president of Pullman, Inc., toid stockholders yesterday in the company's annual report.

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#### 'Opportunity in Sale Plan'

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An important factor in the increase in net income, despite a decline in gross income to \$352,156,723 from \$415,713,933 in 1943, was the return to 1944 carrier net earnings of \$32,743,910 from the deferred maintenance reserve originally set up in 1942 out of tax-paid income.

Production of war goods by the manufacturing subsidiary totaled \$144,000,000 in 1944, accounting for more than three-quarters of the combined sales and miscellaneous

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rom sleeping & parlor

car business:	1944		
Gross revenue \$	185,692,399	\$151,847,939	
Operating expenses	110,898,200	64.029.243	
Prov. for retr. wage			
adjustment	692.750	5,962,595	
Prov. for depr	10,976,781	10,977,471	
Prov. (or contr. rev.			
paymis, to R.R.'s	19,079,584	26.887.373	

1942	def.	mair	nt, res.		
to	1944	inc.		2,743.910	
Ne		rier		8 822 262	E 1 300 400

From mig. business		
Sales & misc, revs.\$1	85 347 864	\$262.922 882
Cost of sales, exps, 1	64 918 717	243,900,298
Prov. for depr	1,999,839	1,995,931
Fed. inc. taxes	14.547.779	12,828 215
In! A exp. on VT		
loan	243,760	116,071
Approp. for mig.		
contings		500.000
Net mfg. earnings.\$	3.637.885	\$ 3.560.341
Other inc., net	430,057	
Sunct mont meeting		
Cons. net inc \$	12,890,006	
Previous surplus	46,649,510	48,507,261
Cons. net inc	12,890,005	8,176.000
Adi. acct. acq. of		
Pullman Co. shrs.	432	
Less divs. paid	9,691,635	9,833,763
Surplus Dec. 31 .5	50.048 314	* 46 640 514
CONSOLIDATED	BALANCE	SHEET
	sets	
As of Dec 311		1943

\$206 504 051 \$330 079 316

Total assets

Liab	lities	
Current		\$114,776.777
Advances on contra.	6,656,446	8,670,364
Postwar reserve	8,938,188	6.381.649
Other reserves	12,215,337	14,816,425
Deferred crs	10,476,012	10.860.776
Danital stock	128 195,280	. 129,715,880
rdliman Co. stock.	4,485	5.928
Surplut	50.048,314	46.849.510
Total ilabilities . \$	296,504.081	\$339.079.310

#### Sell Car Firm If Sleeper Split Fails, U.S. Asks

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The Pullman plan would have the company retain the manufacturing business, but proposed that railroads of the company form a pool to purchase the service business and conduct it under new management.

If such a sale could not be made, the company said it would retire from the service business. This would result in withdrawai of its cars from ail railroads.

Mr. Hamilton said such withdrawal would be catastrophic. He maintained the company has no right to walk out of the servicing business. because no other company in the nation is prepared to take over.

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Postwar production plans of other manufactures of rairoad equipment are halted until the separation George Whaton Pepperson George Whaton Pepperson for Fullman, said the company was for Fullman, said the company was the service and the second second the service of the second second had the right to retire it no sale could be made. Mr. Pepper also said the original decree in a Sherman pany the right to hold eith be pany the right to control the

its original order now. The government was joined by six labor organizations, representing 23,000 Pullman employes, in objecting to the separation pilan. Attorneys said the company had made no provision for retirement pensions, annuity payments and job rights held under labor contracts. CHICAGO JOURNAL OF COMMERCE. MARCH 21, 1945.

## **Reconversion** a Minor Problem For Pullman, Crawford Asserts

#### Extensive Expansion **Of Facilities Mapped**

Reconversion problems will be minor" in the railway car manufacturing business, David A. Crawford, president of Pullman, Inc. told stockholders yesterday in the company's annual report.

The return to production of supplles needed in the peacetime operation of the railroads can be accomplished "almost immediately," the report said, inasmuch as the war work of Pullman-Standard Car Manufacturing Company has largely been done in plant facilities not utillzed for carbuilding prior to the war.

However, it was pointed out that large postwar expenditures at Pullman-Star ard's active plants are being planned better to equip them for the most efficient production of modern types of freight and passenger cars.

#### 'Opportunity in Sale Plan'

The report described Pullman's plan for sale of its sleeping car properties to the rallroads as a means of helping the railroads to meet postwar travel competition. It said the plan not only would assure a continuity of operating opportunity that is "a prerequisite for the large, long-term, new investment that can now be foreseen to be necessary to equip this service adequately to meet postwar competitive condi-tions," but would give the combined enterprise the benefit of an integrated handling of the vital ratemaking function

The proposal to sell these facilities to the carriers was made last year to comply with a federal court decree in the government's antitrust suit against Pullman, which ordered Pullman to dispose either of its service unit or its manufacturing unit. Yesterday the court took under advisement a motion by the government that Pullman be ordered to sell its manufacturing business if it fails to sell its \$80,000,000 sleeping cars business within a year

Year's Income Swells

Consolidated net income for 1944 before renegotiation, the report showed, was \$12,890,006, equal to \$3.99 a share, compared with adjusted consolidated net income in 1943 of \$8.176,006, or \$2.52 a share, after renegotiation.

An important factor in the increase in net income, despite a decline in gross income to \$352,156,723 from \$415.713.933 in 1943, was the return to 1944 carrier net earnings of \$2.743.910 from the deferred maintenance reserve originally set up in 1942 out of tax-paid income.

Production of war goods by the manufacturing subsidiary totaled \$144,000,000 in 1944, accounting for than three-quarters of the more combined sales and miscellaneous revenues of \$185,347.804. In addition to producing landing ships and patrol escort vessels, the manufacturing division turned out wings and assemblies for Douglas transport planes, heavy-gun carriages, transport mounts, shells, bombs and trench mortars, and military railway cars, the report stated.

#### Working Capital Falls

Reflecting principally the dis-bursement of \$18,250,000 in cash in connection with acquisition in De-cember of the M. W. Kellogg Company, the working capital of the consolidated group, not including that held in the Kellogg Company treasury, declined \$1.831.466 to a total of \$96.864.911 at the end of 1944. Consolidated nct income likewise did not include Kellogg Company earnings.

The report points out that, following the practice initiated in 1942, the entire 1944 claim for statutory 10 per cent postwar refund (\$2.-764.517) of excess profits tax has been appropriated to postwar readaptation reserves, bringing such reserves to a total of \$8,938,186. The 1944 claim for postwar refund and the offsetting reserve appropriation are subject to reduction equivalent to 10 per cent of any decrease in 1944 excess profits liability that may result from renegotiation of prices on that year's armament shipments.

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INCOME ACCOUNT

car business.	1944	1943
Gross revenue . 3	165,692,599	\$151,847,939
Operating expenses	110,898,200	84,029,243
Prov. for retr. wage		
adjustment	692,730	5,962,595
Prov. for depr	10,076,781	10,977,471
Prov. for contr. rev		
payments, to R.R 's	19 079,504	26.887.373
Fed. inc. taxes	17,967,010	19,670,587
1942 def. maint. res.		
tn 1944 inc	2,743,910	

Net cartier carns \$ 8,822,262 \$ 4,320,467

Sales & misc, revs.81	85,347,804	\$262,922 862
Cost of sales, exps. 1	64.918.717	243,900 298
Prny, for depr	1.999.839	1 995 953
Ted. inc. Isxes	14.547.779	12,828 215
Approp for mfg	243,780	118.071
contings.		500,000
Net mfg earnings.\$	3 637.685	
Other Inc., net	430 037	275,196
Cnns. net inc\$	12.890.006	\$ 8,176,006
Previous surplus	46 849 510	48 507 267
Cons. net inc Adi acci. acn. of	12,890,006	8,176.005
Puliman Cn. shrs.	432	
Less divs. paid	9,691,635	
Sumplus Day 21 8	50 048 314	1 46 849 510

4 203 432

Total essets

\$296,504 081 \$330,079.310

F.10	bilities	
Current	\$ 78,959,419	\$114,778,777
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Mr. Hamilton asked Judges John Biggs, Jr., Albert B. Maris and Her-bert F. Goodrich for an immediate ruling whether the company can retire, should it fail to sell the physical assets of the serving company, or its capital stock,

Postwar production plans of other manufacturers of railroad equipment are halted until the separation plan is cleared, Mr. Hamilton said. George Wharton Pepper, former United States senator and counsel for Pullman, said the company was "sincere" in its desire to retire from the servicing business, and that it had the right to retire if no sale could be made. Mr. Pepper also said the original decree in a Sherman antitrust suit charge gave the company the right to hold either business, and that the court cannot alter its original order now.

The government was joined by six labor organizations, representing 23,000 Pullman employes, in objecting to the separation plan. Attor-neys said the company had made no provision for retirement pensions, annuity payments and job rights held under labor contracts,

U.S. Asks Court ToRejectPullman Separation Plan

Berge Charges It Does Not Free Sleeping-Car Business And Manufacturing

#### Complete Cleavage Is Sought

From Tux Wall STREF JOETSAL Phila. Burca PHILADELPHIA — The Government asked the U. S. District Court here to reject the plan abmitted by Pullman Inc. for the separation of its alseping car business from its car manufacturing business under the decree handed down June 8, 1944, in the Government's antiturat suit.

Wendell Berge, Assistant Attopney General in charge of the anti-trust division of the Justice Department, filed objections to the plan, describing it as "unclear and ambiguous" and not complying with the court's order that there be a complete separation of the two branches of the company's business.

The Government's position is that the plan submitted by Pullman is nothing more than an offer to retire from the sleeping car business, whereas the court's decree specifically provides that it must bring about a complete separation with the objective of someone else taking over the sleeping car business and operating it.

Claiming that the plan does not meet the terms of the separation decree, Mr. Berge, on behalf of the Government, says that a "simple plan" should be formulated to contain these minimum, essential provisions: Conditions Stated

 Pullman Inc., should be required to sell all the stock or all the physical properties of the Pullman Co.

 Pullman should be required to deal with any prospective purchaser or purchasers who may be interested in acquiring all or part of

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 Whatever disposition is made of the stock or assets it should contemplate the use of the sleeping car pool by the traveling public upon the railroads of this country.

4. The Pullman Co. should be required to sell sleeping cars to individual railroads at reasonable prices, but not for more than the depreciated value of the cars. Other Conditions

Mr. Berge said the final judgment should also contain these conditions:

 That the purchaser or purchasers of the sleeping car business shall sell used sleeping cars to railroads.

That the purchasers shall at the request of any railroad, service railroad-owned sleeping cars.

 That the purchaser or purchasers shall conduct both partial operations and throughline operations; that the purchaser or purchasers should be prohibited from using ex Ju-

#### THE WALL STREET JOURNAL, Tuesday, February 20, 1945

sive right clauses and that the purchaser or purchasers should be forbidden to acquire competitors.

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The Journal of Commerce & Commercial

#### March 21, 1945

## Pullman Proposal Is Seen as Postwar Aid to Railroads

### Crawford Says Plan to Assist Cartiers in Meet-

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Mr. Crawford said that the pro-posal consolidates "in raifroad principation and principation and partice rarbust wings and partice experiments in the steeping and partice rarbust wings and assemblies for Jongtas wings and partice experiments in the steeping and partice participation and assemblies for Jongtas of the raifroads and of Pullman in pross income to \$352,156,723 from for \$165,822,086 of gross revenues, flages, new more than the transport planes in the transport planes in the revenues in the stand that the transport planes in the stand the transport planes in the stand the transport plane in the stand that the transport plane in the stand that the transport plane in the stand the travei service, and would result in giving to that combined enterprise the benefit of an integrated handling of the vitai rate-making func-tion. It would also assure a continuity of operating opportunity that is a prerequisite for the large, iong-term new investment that can now be foreseen to be necessary to equip this service adequately to meet postwar competitive conditions

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Interruption Barred Mr. Crawford said "it is generally understood that these committees have separately reached the conclusion that the railroads should not be called upon to undertake the operation of sleeping car service during the continuance of the existing wartime conditions." He said also that the position of Office of Defense Transportation and Army and Navy Transport Divisions was to co-operate to the end

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#### Working Capital Off

as of December 31, 1944.

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Boston News Bureau March 23, 1945

### **Pullman Divestment Ordered**

#### Three-Judge Court Gives Corporation One Year To Sell Pullman Co. Stock-Decree Far Short Of Government's Demands

Philadelphia—A three-judge United States district court entered an order yesterday in the government's suit for the separation of the sleeping-rar business from the car manufacturing branch of Pullman Inc., which is far short of the government's demands.

The government sought an order that Pullman be required to dispose of the car-manufacturing business if it failed to produce a contract for sale of the servicing business and for a ruling that Pullman could not simply retire from servicing sleeping cars but it could negotiate a sale.

Order entered yesterday by the court gives Pullman Inc. one year to contract for sale of all of the capital stock it towns in the Pullman Co., the servicing unit, or a contract for sale of the \$80,000,000 worth of physical assets of the alseeping-care business, making no ruling whatever on the other two demands of the government.

#### Sale Subject To Court Approval

' The court's order assigned by Judges John Dix, Jr., Albert B. Norris and Herbert H. Goodrich stipulates that any contracts made by Pullman Inc. are subject to approval by the court and the Pullman Co. cannot sell any of its sleeping-cars without the court's sanction.

Government also sought to have the court specificate to direct Pullman Inc. to offer the physical assets or the capital stock to others besides railroads, but the court limited its direction to Pullman Inc. to the statement that it "may cause the Pullman Co. to offer to treat with the railroads or any other persons" for the sale of the business or stock.

The decree permits Pullman Inc. to sell all of the stock it owns in the Pullman Co. either to the railroads or to any other persons, either in whole or in part, and the Pullman Co. is allowed to sell its business either in whole or part to purchasers other than railroads. The court, however, reserves the right to modify the order any time before the expiration of the year.

#### N.Y. Wall St. March 23, 1945

Pullman Inc. was given until March 22, 1946, to sell all the capital stock it owns in Pullman Co., which operates the sleeping car business, or to arrange for the sale of the \$80 million physical assets of Pullman Co. The order was entered by Federal Court in Philadelphia to enforce its decree requiring Pullman Inc., to give up car manufacturing or sleeping car operation. New York Journal Amer. March 23, 1945

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The Journal of Commerce & Commercial March 23, 1945

## Pullman Gets Year to Sell Car Business

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to produce a sales contract within request that the court order the servicing business fail. the year. Pullman group to offer the busi- He contended that i

ness to any responsible purchaser. Fails to Rule on Plea the court said Pullman, Inc., the The court's order enforces its de- top corporation, "may cause the

require the company to sell its car contracts for the sale of the servrequire the company to sell its car contracts for the sale of the serv-manufacturing business bit is can imposed business but these agree-not produce contracts for the sale al, and the Pullman Co, serving of the servicing unit within a year. unit, cannot sell its sleeping cars The court decreed two years ago without court consent. that Pullman Inc., and three sub-Today's decree followed a hear-sidiaries were violating the Sher-man Anti-Trust Act through the General, termed the Pullman the Pullman Inc., and the set of the Pullman the followed a hear-sidiaries were violating the set.

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PHILADELPHIA. March 22 .- joint manufacture and servicing of group's plan to sell the sleeping car business to a buying group

man Co. servicing unit or the dis-business if if fails to sell its busi. Insert in its decree an alternative posal of the sleeping car business, court did not rule on the Govern-No ruling was made as to what ment result. unit should attempts to sell the

> 'He contended that if the court waited a year to decide whether Pullman would service or manufacture sleeping cars, independent manufacturers of sleeping car equipment would lose a year's plan-ning and face further delays occasloned by possible appeals to the Supreme Court by the losing party.

#### Kelly Halls Order

George A. Kelly, vice president of the Pullman Co., said in a statement last night that the provisions of the order entered by the court in Philadelphia yesterday give Pullman, Inc., "broad freedom of action in its effort to dispose of its sleeping car subsidiary, the Pull-man Co., in compliance with the decree of the court of May 8, 1944." "We regard this order as properly considerate of the public interest, of the interests of our employes and the interest of the 35.0 shareholders of Pullman, Inc.

The Journal of Commerce & Commercial

March 23, 1945

## Pullman Gets Year to Sell Car Business

The United States District Court sleeping cars. The Government asked the court composed of the nation's railroads in which to arrange for sale of nammediate ruling that the a "gesture at compliance". Expital stock it owns in the Pull-man Co. servicing unit or the dis-business if if fails to the lifts business. Mark the servicing unit or the dis-business if if fails to the lifts business in the discrete an alternative

to produce a sales contract within request that the court order the servicing business fail. the year.

#### Falls to Rule on Plea

cree of May 8, 1944, which would Pullman Co. to offer to treat with divorce the sleeping car manufac-for the sale of the sleeping car turing business from the servicing business." unit of the company but failed to Pullman, Inc., may enter into Supreme Court by the losing party. require the company to sell its car contracts for the sale of the serv-

PHILADELPHIA. March 22 - joint manufacture and servicing of group's plan to sell the sleeping

ness to any responsible purchaser, Fails to Rule on Plea The court's order enforces its de top corporation, "may cause the

require the company to sell its car contracts for the sale of the serv-manufacturing business if it can infing business but these agree-ments are subject to court approv-not produce contracts for the salc al, and the Pullman Co., serving of the scrvicing unit within a year. unit, cannot sell its sleeping cars

car business to a buying group

posal of the \$80,000,000 of physical assets of the sideping car business in without sleeping car business No ruling was made as to what ment request. would be done if the company fails In answer to another Government unit should attempts to sell the

> He contended that if the court waited a year to decide whether Pullman would service or manufacture sleeping cars, independent manufacturers of sleeping car equipment would lose a year's planning and face further delays occa-

#### Kelly Halls Order

George A. Kelly, vice president of the Pullman Co., said in a state-The court decreed two years ago without court conset its sleeping cars if the Pullman C.9, said in a slate-ment last night that the provisions that Pullman Inc., and three sub-ing on Monday at which Fowler in Philadelphia yeaterday give slicitizes were violating the Sher-Hamilton, assistant to the Attorney Pullman, Inc., "broad freedom of man Anti-Trut Act through the General termed the Dultment action in its effort to decreaded the second state of the state to be the second state of the stat man Anti-Trust Act through the General, termed the Pullman action in its effort to dispose of its sleeping car subsidiary, the Pull-man Co., in compliance with the decree of the court of May 8, 1944.' "We regard this order as properly considerate of the public inter-est, of the interests of our employes and the interest of the 35.6 shareholders of Pullman, Inc."

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#### NEW YORK HERALD-TRIBUNE

#### March 23, 1945

But No Action is Specified if court consent.

Parent Firm Can't Comply

Farent Firm Cant Comply PHILADELPHIA, March 22 (P), The United States District Query, and Constant of Philman Co., commenting on today granted Pullman, Inc., a the decision of the order en-sale of its servicing unit or the sale of its servicing unit or th

start within the year. The court's order enforces its divorce the skeeping car manufac-turing business from the servicing pioses, and the interests of our em-unit of the company, but failed to 38,000 stockholders of Pullman, manufacturing business if it com-inc." not produce contracts for the sale of the servicing unit within a year The court decreed two years ago that Pullman, Inc., and three sub-sidiaries were violating the Sher-man anti-trust act through the joint manufacture and servicing of sleeping cars.

of steeping cars. The government asked the court for an immediate runns that the Pullman Co. an affing the operating the servicing that cannot go out of business if a fails to sell its business within a year, leaving the public without sleeping car the public without sleeping car the public without sleeping car the government request

In answer to another govern-ment request that the court order the Pullman group to offer the business to any responsible pur-chaser, the court said Pullman, Inc., the top corporation, "may cause the Pullman Company to offer to treat with the railroads or any other persons for the sale of the sleeping car business." Pullman, Inc., may enter into con-tracts for the sale of the servicing

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CourtGivesPullman, Inc., business, but these agreements are subject to court approval, and the Pullman Co., servicing unit, can-not sell subsidiary not sell its sleeping cars without

**Court's Action Approved** 

#### NEW YORK HERALD-TRIBUNE

#### March 23, 1945

But No Action Is Specified if court consent. Parent Firm Can't Comply

 
 Farent Firm Can't Comply
 Court's Action Approved

 PHILADELPHIA, March 22 (P)
 Gorge A. Kelly, vice-president

 -The United States District Court of Pullman Co., commenting on
 today granted Pullman, Inc., a

 year in which to arrange for the
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 today give Pullman, Inc., more

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 what would be done if the company fails to produce a sales compliance with the decree of the
 philane Co., in compliance with the decree of the
 tract within the year.

The court's order enforces 113 "We regard this order as prop-degree of May 8.1944, which would erry considerate of the public in-divorce the sleeping car manufac-turing business from the servicing ployees, and the interests of the unit of the company, but failed to 35,000 stockholders of Pullman, require the company to sell its car Inc." manufacturing business if it cannot produce contracts for the sale of the servicing unit within a year The court decreed two years ago that Pullman, Inc., and three subsidiaries were violating the Sherman anti-trust act through the joint manufacture and servicing of sleeping cars.

or steeping cars. The government acked the court for an immediate ruling that the Pullman Co. an affiliar correstrating the servicing that, cannot go out of business within a year, leaving the public without sleeping car service. The court did not rule on the government request the government request.

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**Court's Action Approved** 

act within the year. The court's order enforces its our of May 8, 1944.

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Chicago Tribune March 23, 1945

# PULLMAN GETS YEAR TO YIELD **SLEEPING CARS Alternative Order**

### Denied U.S.

Philadelphia, Pa., March 22 (P) .-The United States District court today granted Pullman, Inc., one year in which to arrange for sale of all capital stock it owns in its subsidiary, the Pullman company, or disposal of the 80 million dollars of physical assets of this sleeping car business.

No ruling was made as to what would be done if the company failed to produce a sales contract within the year.

The court's order was designed to carry out its decree of May 8, 1944, to divorce Pullman's sleeping car and manufacturing businesses. The court held two years ago that Pull-man, Inc., and three subsidiaries were violating the Sherman antitrust act thru operations in both the manufacture and servicing of sleeping cars.

U. S. Fails to Obtain Ruling.

The government failed to obtain a ruling on its request for an im-mediate order that Pullman company could not go out of business if not sold within the year, leaving facturing unit should attempts to the public without sleeping car sell the sleeping car business fail. service.

In answer to another government request that it order Pullman to offer the business to any responsible purchaser, the court sald Pullman, Inc., parent corporation, "may cause the Pullman company to offer to treat with the railroads or any other persons for the sale of the sleeping car business."

Contracts for the sale of the servicing business will be subject to the Pullman company, said the pro-court approval as will any sale of visions of the court order entered the sleeping cars.

Alternate Order Urged.

At a hearing Monday Fowler Hamilton, assistant to the attorney general, termed the Pullman plan to sell its sleeping car business to a buying group composed of the nation's railroads a "gesture at compliance."

He urged the court to insert in its decree an alternative directive requiring Pullman to sell its manu sell the sleeping car business fall.

If the court waited a year to decide whether Pullman would oper ate or manufacture sleeping cars, he contended, independent manufac turers of cars would lose a year's planning and face further delays occasioned by possible appeals to the Supreme court.

#### BULING HELD FAIR.

George A. Kelly, vice president of at Philadelphia yesterday gave Pull-man, Inc., "broad freedom of ac-tion" in its effort to dispose of the sleeping car unit.

"We regard the order as properly considerate of the public interest, of the interest of our employes, and of the interest of the 35,000 stock-holders of Pullman, Inc.," said Kelly, Chicago Sun March 23, 1945

## Court Shuns U.S. Demands In Pullman Co. Sale Order

PHILADELPHIA, March 22.--(UP)--Puliman Inc. was ordered today by a three-judge Federal Court to dispose of its sleeping cars "The court order was entered to the monopoly it held on the May requiring Puliman to been in annifecture and servicing of manufacture and servicing of "aftroad aleeping cars." Today's order fell short of meeting government de manufacture by travenet and the inter the prometer and the star of the short of meeting sources unless it produces a

ing business unless it produces a definite contract for sale of the sleeping car business.

sleeping car business. The court, however, merely gave Pullman a year to contract for the sale of all the capital stock of the servicing unit, or the sale of its \$80,000,000 assets. It made no ruling as to what would be done if the company fails to comply within the set time time

time. Judges John Biggs, Jr., Albert B. Maris and Herbert F. Good-rich, who comprise the "expedit-ing court," signed today's order. They did not act on the govern-ment's demand for a sule, ow the service-thousancost at found its service-thousancost it found The court said Pullman's con-

no buyers. The court said Pullman's con-tract for sale of the servicing business would be subject to the court's approval. It also ruled that the company could not sell any sleeping cars without court suppliers. sanction.

George A. Kelly, vice-president of the Pullman Co., commenting on the decision, said here yester-

on the decision, saw there of day: "Provisions of the order entered by the court in Philadelphia give Pulman, Inc., broad freedom of its sleeping-car subsidiary. "We regard this order as prop-erly considerate of the public in-strest. of interests of our employ:

terest, of interests of our employ-ees, and the interests of the 35,000 stockholders of Pullman, Inc."

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Chicago Tribune March 23, 1945

# PULLMAN GETS YEAR TO YIELD **SLEEPING CARS**

### **Alternative Order** Denied U.S.

Philadelphia, Pa., March 22 (AP). The United States District court today granted Pullman, Inc., one year in which to arrange for sale of all capitai stock it owns in its subsidiary, the Pullman company, or disposal of the 80 million dollars of physical assets of this sleeping car business

No ruling was made as to what would be done if the company failed to produce a sales contract within the year.

The court's order was designed to carry out its decree of May 8, 1944, to divorce Puliman's sleeping car and manufacturing businesses. The court held two years ago that Pullman. Inc., and three subsidiaries were violating the Sherman antitrust act thru operations in both the manufacture and servicing of sleeping cars.

II. S. Falls to Obtain Buling.

The government failed to obtain a ruling on its request for an immediate order that Pullman com- its decree an alternative directive pany could not go out of business If requiring Pullman to sell its manunot sold within the year, leaving facturing unit should attempts to

service. request that it order Pullman to ate or manufacture sleeping cars, offer the business to any respon- he contended, independent manufacsible purchaser, the court said Pullman, Inc., parent corporation, "may planning and face further delays occause the Pullman company to offer to treat with the railroads or any other persons for the sale of the

sleeping car business." Contracts for the sale of the servicing business will be subject to the Pullman company, said the procourt approval as will any sale of the sleeping cars.

#### Alternate Order Urged.

At a hearing Monday Fowler Hamilton, assistant to the attorney general, termed the Pullman plan to sell its steeping to our composed of the a buying group composed of the nation's railroads a "gesture at holders of Pullman, Inc.," said Kelly. compliance."

He urged the court to insert in the public without sleeping car sell the sleeping car business fall.

If the court waited a year to de-In answer to another government cide whether Pullman would operturers of cars would lose a year's casioned by possible appeals to the Supreme court,

#### BULING HELD FAIR.

George A. Kelly, vice president of visions of the court order entered at Philadelphia yesterday gave Pullman, Inc., "broad freedom of ac-tion" in its effort to dispose of the sleeping car unit.

"We regard the order as properly to sell its sleeping car business to the interest of our employes, and

Chicago Sun March 23, 1945

## Court Shuns U.S. Demands In Pullman Co. Sale Order

PHILADELPHIA, March 22.—(UP)—Pullman Inc. was ordered today by a three-judge Federal Court to dispose of its sleeping car servicing Business within one year.

The court order was entered to enforce a decree issued last May requiring Pullman to break up the monopoly it held on the

manufacture and servicing of railroad sleeping cars. Today's order fell short of

meeting government d e m a n d s made Monday. At that time the government asked that Pullman be forced to sell its manufacturing business unless it produces a definite contract for sale of the sleeping car business.

The court, however, merely gave Pullman a year to contract for the sale of all the capital stock of the servicing unit, or the sale of its \$80,000,000 assets. It made no ruling as to what would be done if the company fails to comply within the set time.

Judges John Biggs, Jr., Albert B. Maris and Herbert F. Good-rich, who comprise the "expedit-ing court," signed today's order. They did not act on the govern-ment's demand for a rule, on whether Pullman could abandon its servicing business if it found no buyers.

The court said Pullman's con-tract for sale of the servicing business would be subject to the court's approval. It also ruled that the company could not sell any sleeping cars without court sanction.

George A. Kelly, vice-president of the Pullman Co., commenting on the decision, said here yester-

day: "Provisions of the order entered by the court in Philadelphia give Pullman, Inc., broad freedom of action in its effort to dispose of its sleeping-car subsidiary.

"We regard this order as erly considerate of the public interest, of interests of our employces, and the interests of the 35,000 stockholders of Pullman, Inc."

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NEW YORK HERALD-TRIBUNE March 24, 1945

### Wall Street Comment Capital Market Only one new bond issue was formally offered in the local capi-tal market this week, in the form of \$19,000,000 utility obligations, but underwriters also floated six Most Active Stocks March 28 ch++ ++ preferred stock and three common stock issues. Demand for the new 6,600 6,800 6,700 6,100 6,000 8,7000 8,700 8,7000 8,700 8,700 8,7000 8,700 8,700 8,700 8,7 securities was generally good, and in some instances premiums pre-valid in the counter market over the offering levels. Bonds will be more prominent next week, with 80,000,000 Pacific Gas & Electric Co. Dijastions up for bidding Co. and associates expect to offer early in the week \$34,000,000 Wheeling Sicel Corp, bunds. For-der of the week \$40,000,000 Wheeling Sicel Corp, bunds. For-der of the week, south for the offer of the week, owing to financial dosings on Food Friday. 217 ... 17,300 ... 15,500 ... 15,400 ... 6,500 ... 8,400 field Con ng Op of Bond &

be little business in the latter part of the week, owing to finalize distance of the week, owing to finalize flates. The second second second second second The court's decree at Philadei-hie stockfoolders. But perhaps the laceping-car equipment itself to link if the sheak of the railroads or to other persons not sold, then Pulman, The, must say hield by Pulman distass displayed the manufacturing busi-giving the compary broad freedom ness. With that threat impending, giving the compary broad freedom ness. With that threat impending, so action under the original de-point origination comparing. Pull-away the sleeping-car business.

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NEW YORK HERALD-TRIBUNE March 24, 1945

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Pullman Plans

ullman Plans parties, the public, employees and The court's decree at Philadel- the stockholders. But perhaps the phia on Thursday allowing Pull- most significant part of the latest man, Inc., to sell either its hold- ruling is its omission of any ref-ing of Pullman Co. stock or the erence to the government demand sleeping-car equipment itself to that if the sleeping-car business is the railroads or to other persons not sold, then Puhman, Inc., must was hailed by Pullman officials as dispose of the manufacturing busigiving the company broad freedom ness. With that threat impending. of action under the original de-pullman obviously would have had cree of separation of manufactur- a hard job of doing much but give for and oncerting prometties. Pull- away the sleeping-car business.

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man believes the latest order is considerate of the interest of all

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Chgo. Herald American March 26, 1945



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failed to divest itself of its sleep-ing car concern within one year. Reviewing the efforts of the corporation to sell its sleeping car concern within one year. Reviewing the efforts of the corporation to sell its sleeping car unit, President Crawford said that committees for each of the

corporation to set it a succura tist committees for each of the m s jor railroad regions, were formed shortly after Aug. 30, 1844 to consider the position of the man company. He gaddet "No official reports of these regional committees have as yet been made public but if it emmittion have separately reached the conclusion that the spin te undertake the opera-ting the continuance of the called upon to undertake the opera-ing the continuance of the ca-bing wartime conditions."

#### PROFIT JUMPS.

PROFIT JUMPS. The statement to shareholders sito disclosed earnings for 1146 tion disclosed earnings for 1146 tion of the statement to shareholders in the statement in the state of the statement with 48.176.-1644 net was equal to 33.96 as the state as a state 32.32 a share to state as a state 32.32 a share to state as a state 32.32 a share The increase in net over 1443.-The increase in net over 1443.-The states in a state 32.743.910 the state as a state as a state to state as a state as a state the state as a state as a state of the state as a state as a state of the state as a state as a state of the state as a state as a state as a state of the state as a state as a state as a state as a state the state as a state as a state as a state as a state of the state as a state as a state as a state as a state of the state as a state as a state as a state as a state of the state as a state

Operational results of the M. W. Keliogg Company which was ac-quired in December, 1944, are not included in the consolidated in-come account of Pullman, Inc.

TRAVEL DIFFICULTIES.

#### N. Y. World Telegram March 26, 1945

## Pullman Co. Sale Ordered by Court

PHILADELPHIA, March 22.-

The U. S. District Court here today entered an order directing Pullman, Inc., to sell its sleeping

asy entered an order directing Fullman, Inc. to sell its discipling our subsidiary not later than one year from today. Disposal musi-be made by the sale of all the explicit stock it owns in the For a montant for the sale of the For-montant for the sale of the for-montant for the sale of the for-ono.000 work of physical sasets of the sleeping car business. The decree permits Pullman for the sale of the for-ell its business, either in whole or in part, to purchasets other than within the Pear. The decree the form the sleeping of the persons in whole or in part, and the Pullman Co. is allowed to ell its business, either in whole or in part, to purchaset other than within the year. The Department of Justice had asked the court to order that Pull-failed to produe a contract for the sale of the services business, and a ruling that Pullman could not retire from the sleeping car busines without negotiating a

sale.

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Chgo. Herald American March 26, 1945

# man **Rush Brea**

BY HAL THOMPSON. Inc company handled 23.3 bil-Separation of the sleeping car Journal of the sleeping car Journal of the sleeping car Journal of the sleeping car More than double the volume decreed by the federal court in moved in the peak traffic year of Philadelphia will be cartied out 1911 in Work war at BY HAL THOMPSON.

failed to divest itself of its sleep-ing car concern within one year. Reviewing the efforts of the corporation to sell its sleeping car concern within one year. Reviewing the efforts of the corporation to sell its sleeping car unit, President Crawford said

that committees for each of the major railroad regions, were formed shortly after Aug. 30, 1944

formed shortly after Aug 30, 1944 to consider the position of the carriers in respect to sale of Pulman Company, He added: "No official reports of these regional committees built is constrainly understoad that these committees have asparately reached the conclusion that the upon to undertake the opera-land as absold not be called upon to undertake the opera-bing wartime conditions."

#### PROFIT JUMPS.

The statement to shareholders also disclosed earnings for 1944 of \$12,890,006, the largest since or \$12,290,000, the largest since 1930 and comparing with \$8,176,-006 in the preceding year. The 1944 net was equal to \$3.99 a share as a.inst \$2.52 a share end in 1943.

earned in 1943. Total gross income was \$352.-156,723 as compared with \$415.-713.933 in the previous year. The increase in net over 1943, it was explained, was due princi-pally to the return to 1944 car-tier net carnings of \$2,743.910 from the deferred maintenance reserve originally set un in 1942 reserve originally set up in 1942

reserve originally set up in the out of income. Production of war goods by the man-Standard Car Manufactur-ing Company, totaled \$144,000,000 nig company, totaled \$144,000,000 while net profit for this division were sassing to the division in the previous year. Net income of the sleeping car unit for 1944 was \$6.078.352 as compared with \$4.320.467 in 1943.

Operational results of the M. W. Operational results of the M. W. Kellogg Company which was ac-quired in December, 1944, are not included in the consolidated in-come account of Pullman, Inc.

### TRAVEL DIFFICULTIES.

The report warned civilians they face "increasingly difficult travel conditions in 1945." The company handled 28.3 bil-

Philadelphia will be carried out 1911 in word War I. as promp: by as can be secomp-label with the resard for the transportation out-labed with the resard for the "there is little question that rail-public interest, David A. Craw- roads, private automobiles and ford, president of the corporation trucks, highway common carriers, informed stockholders today in a samual report. His remarks were given appar- assisting to raise the sense His remarks were given appar- assisting to raise the senseral trucks, highway common carriers, enty in antiception of the gov- ins genderies of the country to a delphia court on Monday that the firm be compelied to dispose of its car manufacturing unit if it failed to divest itself of its sieep-ing car concern within one year.

#### N. Y. World Telegram March 26. 1945

## Pullman Co. Sale Ordered by Court

PHILADELPHIA, March 22.day entered an order directing Pullman, Inc., to sell its sleeping car subsidiary not later than one year from today. Disposal must be made by the sale of all the capital stock it owns in the Pull-

capital stock it owns in the Pull-man Co., the serving unit, or a contract for the sale of the \$80.-00,000 work of physical assets of the service carmits Fullman. Inc. to sell its Pullman Co. stock either to the railroads or to any other persons, in whole or in part, and the Pullman Co. is allowed to sell its pulsmans, either in whole or in part, to purchasers other than railroads. The court reserves the right to modify the order any time

right to modify the order any time within the year. The Department of Justice had asked the court to order that Pull-man be required to dispose of the car manufacturing business if it failed to produce a contract for the sale of the servicing business. and a ruling that Pullman could not retire from the sleeping car business without negotiating a sale.

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Chao. Ferald American March 20, 1945

# Pullman t Rush Breakup

BY HAL THOMPSON.

BY HAL THOMPSON. Separation of the sleeping solution of the sleeping solution of the sleeping solution the park traffic year of business from Puilman Inc., as Puilman cars in 194, which was decreed by the federal court in moved in the park traffic year of Philadelphia will be carried out 1917 in World War I. as promp: by as can be accound. As for the transportation out-lable with due result for the look, President Crawford declared public interest, David A. Craw-roads, private a sumoholike and ford, president of the corporation, in alrines and waterways all will his annual report. His remarks were given anopa-assisting to raise the scenaral live.

his stanual report. His remarks were given appar-assisting to raise the reenreal liv-ently in anticipation of the gov-ing remarks of the country to a ernment's latest piete to the Phila\_new Migh point." delphia court on Monday that the firm be compelled to dispose of lis car manufacturing unit if it failed to diverse listif of its sitep-Reviewing the efforts of the corporation to sell its sleeping car

corporation to sell its sleeping car concern within one year. Reviewing the efforts of the corporation to sell its sleeping car unit, President Crawford said that committees for each of the m a jor railroad regions, were formed shortly after Aug. 30, 1944 to consider the position of the carriers in respect to sale of Pull-

carriers in respect to said of Pull-man Company. He added: "No official reports of these regional committees have as yet been made public but it is generally understood that these committees have separately reached the conclusion that the railroads should not be called upon to undertake the operation of sleeping car service during the continuance of the ex-isting wartime conditions."

#### PROFIT JUMPS.

The statement to shareholders also disclosed earnings for 1944 of \$12,890,006, the largest since 1930 and comparing with \$8,176,-1930 and comparing with \$8.176,-006 in the preceding year. The 1944 net was equal to \$3.99 a share as ac..inst \$2.52 a share earned in 1943.

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pally to the return to 1944 carrier net earnings of \$2,743,910 from the deferred maintenance reserve originally set up in 1942 out of income. Production of war goods by the

Frouction of war goods by the manufacturing subsidiary. Pull-man-Standard Car Manufactur-ing Company, totaled \$144.000.000 while nct profit for this division was \$3.637.685 against \$3.380.343 is the newtone mark. Net heads in the previous year. Net income of the sleeping car unit for 1944 was \$6.078.352 as compared with \$4 320.467 in 1943.

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#### TRAVEL DIFFICULTIES.

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#### N. Y. World Telegram March 20, 1945

## Pullman Co. Sale Ordered by Court

special to the World-Telegram

PHILADELPHIA, March 22 .-The U. S. District Court here today entered an order directing Pullman, Inc., to sell its sleeping car subsidiary not later than one year from today. Disposal must be made by the sale of all the capital stock it owns in the Pullcapital stock it owns in the Pull-man Co. the serving unit, or a contract for the sale of the \$80-00.000 worth of physical assets of the sleeping car business. The decree permits Pullman, Inc., to sell its Pullman Co. stock

Inc., to sell its Pullman Co. stock either to the railroads or to any other persons, in whole or in part, and the Pullman Co. is allowed to sell its business, either in whole or in part, to purchasers other than railroads. The court reserves the right to modify the order any time within the year.

The Department of Justice had asked the court to order that Pullman be required to dispose of the car manufacturing business if it failed to produce a contract for the sale of the servicing business, and a ruling that Pullman could not retire from the sleeping car business without negotiating sale.

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### Pullman Must Sell Sleeping Car Business Within One Year

Court Orders Disposition of Either Stock or Physical Assets by March 22, 1946

From The WALL STREET JOURNAL FAILS. Surreau FMILADELPHIA-A three-Judge United States District Court entered an order here yesterday giving Pullman, Inc., until March 2. 1946, to contract for the sale of all the capital stock it owns in the Pullman Co., its sleeping car unit, or contract for the sale of the solution worth of physical assets of this unit.

Entered to enforce the decree handed down May 8, 1944, by the court which ordered Pullman, inc., to divest itself either of the servicing business or Pullman-Standard Car Manufacturing Co., the manufacturing unit, the latest order fell short of the Government's demands made last Monday,

The Government had gone one step further and urged that Pullman, Inc. be ordered to sell its car manufacturing business if it fails within a year to dispose of its sleeping car business.

#### Withdrawal Called "Catastrophic

Fowler Hamilton, special assistant attorney general, argued at that time that Pullman Inc, has no right to "reite" or "withdraw" from the sleeping car business and said such action would be "catastrophic" because there is no other company in the field.

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Pulman Inc., under the latest order, is permitted to sell all the stock it owns in Pulman Co, either to the railroads or to any other persons in whole or in part; the Pullman Co, is allowed to sell its business either in whole or part to purchasers other than railroads. The court, however, reserves the right to modify the order at any time in the next year. Following the decree last May, Pullman

Following the decree last May, Pullman foc, chose to keep Fullman-Standard Car Manufacturing Oo. and to sell the car-operating company, offering the latter: to the railroads have failed to get together on purchase of the proposed Railway-Pullman Sleeping Car Co. Several weeks ago the Justice Department criticised the proposed sale as "unclear and ambiguous."

#### **Pullman's Statement**

In a statement following issuance of the order, George A. Kelly, vice president of the Pullman Co., said:

"The provisions of the order entered by the court in Philadelphia today (Thursday) give Pullman Inc. broad freedom of action in its effort to dispose of its sleeping car subsidiary, the Pullman Co., in compliance with the decree of the court of May 8, 1944.

"We regard this order as properly considerate of the public interest, of the interests of our employes and the interest of the 35,000 stockholders of Pullman Inc."

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its Demand for Alternative Order to Dispose of Car

Order to Dispose of Car Concern is ignored Bestal to Tax New Text Text. PHILADELPHIA, March 22 (\*) A special there-judge expected for the Pulliced Bates David United States District Court today servicing interest. gave Pullman, Inc., one year in In a statement he said. "the pro-which to contract for the saie of visions of the order estimates today for ester of its \$400,000 estimates and the said. "The pro-set of its \$400,000 estimates and the said of the today for set of its \$400,000 estimates and the said of the today for the today is the said of the today for the today for the today is the said of the today for the today for the today is the said of the today for the today for the today is the today for the today for the today for the today is the today for the today for the today for the today is the today for the today for the today for the today is the today for the today for the today for the today is the today for the today for the today for the today is the today for the today for the today for the today is the today for the today for the today for the today is the today for the today for the today for the today for the today is the today for the tod

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man Company cannot simply go out of business, leaving the travel-ing public and the railroads withing public and the railroads with-out sleeping car service, and in-stead of specifically ordering as the Government requested, the Pullman Group to offer the busi-ness to any "responsible" pur-chaser or purchasers, the court simply stated that Pullman, Inc., "mear cause the Pullman Company simply stated that Pullman, inc., "may cause the Pullman Company to offer to treat with the railroads or any other persons for the sale of the sieeping car business."

#### **Court Retains Jurisdiction**

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In its original ruling the court held the operation of both the man-ufacturing unit, Pullman-Standard COURT GIVES YEAR FOR PULLMAN SALE To a servicing unit, Pulman-Bandard the servicing unit, the Pulman company, constituted a monopoly. Today's decree came as an after-math of a hearing on last Monday the servicing unit, the Pulman point of read by the point of the court's sep-for Arranging Sale of Stock or Assets of Service Unit GOVERNMENT PLEA FAILS GOVERNMENT PLEA FAILS the Demand for Alternative

#### Official Lauds Ruling

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#### N.Y. Sun March 23. 1945

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#### N.Y. Herald Tribune March 23, 1945 CourtGivesPullman.Inc.

A Year to Sell Subsidiary

But No Action Is Specified in Parent Firm Can't Comply

PHILADELPHIA, March 22 (P). -The United States District Court today granted Pullman, Inc., i year in which to arrange for the year in which to arrange for the sale of capital stock it owns in the Pullman Co., servicing unit, or the disposal of the \$80,000,000 of physical assets of the sleeping-can business. No ruling was made as t what would be done if the comwhat would be done if the com-pany fails to produce a sales con-tract within the year. The court's order enforces its decree of May 8, 1944, which would

divorce the sleeping car manufac-turing business from the servicing unit of the company, but failed to require the company to sell its car manufacturing business if it cannot produce contracts for the sale of the servicing unit within a year of the servicing unit within a year. The court decreed two years ago that Pullman, Inc., and three sub-sidiaries were violating the Sher-man anti-trust act through the joint joint manufacture and servicing

The New York Times March 23. 1945



for Arranging Sale of Stock or Assets of Service Unit

Its Demand for Alternative Order to Dispose of Car **Concern** is ignored

Special to THE NEW YORK TIMES A special three-judge expediting of the Pullman manufacturing and United States District Court today servicing interests. gave Pullman, Inc., one year in In a statement he said, "the pro-which to contract for the sale of visions of the order entered by the either the capital stock or the sa- court at Philadelphia today give

Dummes. It is a fort to dispose of its The order, signed by Creut sleeping car subsidiary, the Pull-ton of the state of the state of the state of the state down in the state of the state of the court of May 8. Johannes the court is decree of last 1944. May 8 ordering the company to "We regard the order as pro-dwore its alsening car manufact, etty considerate of the public in-

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In its original ruling the court held the operation of both the man-ufacturing unit, Pullman-Standard Car Manufacturing Company, and the servicing unit, the Pullman

math of a hearing on last Monday at which Fowler Hamilton, assistant Attorney General, opposed a U. S. Tribunal Sets a Deadline plan offered by the Pullman group or compliance with the court's separation decree. Mr. Hamilton characterized the plan as simply a "gesture e compliance" because it merely preposed that railroads now using Pullman sleeping car service band together in a buying group to GOVERNMENT PLEA FAILS purchase the Pullman business. Mr. Hamilton maintained that a sale to the railroads of such a large business was very dubious,

#### Official Lauds Ruling

PHILADELPHIA, March 22 (.P) In Chicago George A. Kelly, vice president of the Pulman Company. today termed "properly consider-ate" of all interests involved the order of the United States District PHILADELPHIA, March 22- Court here concerning separation

In a statement he said, "the prosets of its \$80,000,000 servicing Pullman, Inc., broad freedom of ac-turinary tion in its effort to dispose of its

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#### N.Y. Sun March 23, 1945

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The Government failed in its effort to have the court order the sale of the manufacturing business of Pullman, Inc., if that company did not dispose of its sleeping car business within a year.

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George A. Kelly, vice-president of the Pullman Company, said of the decision that it gave Pullman. Inc., "broad freedom of action in its effort to dispose of its sleeping car subsidiary, the Pullman Company, in compliance with the decree of the court of May 8, 1944."

#### N.Y. Herald Tribune March 23, 1945

CourtGivesPullman.Inc., A Year to Sell Subsidiary

But No Action Is Specified if Parent Firm Can't Comply

PHILADELPHIA, March 22 (AP) The United States District Court today granted Pullman, Inc., a year in which to arrange for the sale of capital stock it owns in the Pullman Co., servicing unit, or the disposal of the \$80,000,000 of phys-ical assets of the sleeping-car business. No ruling was made as to what would be done if the company fails to produce a sales con-

tract within the year. The court's order enforces its decree of May 8,1944, which would divorce the sleeping car manufacturing business from the servicing unit of the company, but failed to require the company to sell its car manufacturing business if it cannot produce contracts for the sale of the servicing unit within a year. The court decreed two years ago that Pullman, Inc., and three subsidiaries were violating the Sherman anti-trust act through the of sleeping cars.

#### Chicago Journal of Commerce March 23, 1945

### **Pullman Gets** Year to Sell Its **Sleeper Firm**

#### **Court's Order Falls** Short of U. S. Plea For Speeding Split

an order yesterday in the government's antitrust suit against Pullman. Inc., which failed to meet recent motions of government counsel.

The latest decree gives Puilman, Inc., one year within which to con-tract for the sale of all of the capi-tal stock it owns in The Pulimar Company, the servicing unit, or to contract for the sale of the \$80.000,-000 worth of physical assets of the sleeping car business.

The government had sought an order requiring Pullman to dispose of its car manufacturing business if it failed to produce a contract for sale of the servicing unit and a ruling that Puliman could not simply retire from the sleeping car simply retire from the sleeping car business. Also, the government asked the court specifically to direct Pull-man. Inc., to offer the physical assets or the capital stock to others besides railroads

Court Limits Its Order

However, the court's order signed by Judges John Dix, Jr., Albert B. Norris and Herbert H. Goodrich, stipulated merely that any contracts made by Pullman, Inc., are subject to court approval and that The Pullman Company may not sell any of its sieeping cars without the court's sanction. Also, the court lim-ited its direction to Puliman, Inc., to the statement that it "may cause the Pullman Company to offer to treat with the railroads or any other persons" for the sale of the business or stock

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The right to modify the order any time before the expiration of the year was reserved by the court.

In railroad circles the court order was viewed as causing little, if any, change in the status of the case. Some time ago a committee was ap-pointed by the Association of Amer-ican Railroads, with membership composed of representatives of eastern, southeastern, and western lines, to study a plan which Pullman had filed in the court for sale of its facilities to a company to be formed by the roads,

#### **Can** Continue Negotiations

The pian was submitted by Pull-man which had elected to dispose of its servicing unit in compliance with an earlier decree of the court requiring it to separate its car man-ufacturing and sleeping car businesses.

It was this plan which Fowier Hamilton, assistant to the attorney general, termed "a gesture at come niance" in the hearing last Monday when the government urged the court to order Pullman to dispose of its manufacturing business unless it A three-judge United States dis-trict court in Philadeiphia entered sleeping car unit within a year.

Under yesterday's order, railroad quarters pointed out, Puilman can continue its negotiations to dispose of its sleeping car business and the railroads can continue their study of the Puilman pian or of possible counter-proposals for the future conduct of the sleeping car business, in the hope that some early solution will be found.

Aithough the roads are not parties to the suit, they have been per-mitted to intervene, and their rep-resentatives, as well as representatives of the Office of Defense Transportation, have urged upon the court the necessity for permitting no in-terruption of sleeping car services during wartime.

In an official statement last night, the Puliman Company expressed satisfaction with the action of the Philadelphia court. George A. Kelly, vice president, said:

"The provisions of the order entered by the court in Philadelphia today give Puliman, Inc., broad free-dom of action in its effort to dispose of its sleeping car subsidiary, the Puliman Company, in compliance with the decree of the court of May

"We regard this order as properly "We regard this mublic interest, of the interests of our employes, and the interests of the 35,000 stockholders of Pullman, Inc.'

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Chicago Tribune

### Pullman Tells New Sleeping Car Sale Plan

Puilman, Inc., has proposed to sell to the railroads its entire holdings of capital stock of the Pullman company, sleeping car subsidiary, David A. Crawford, president, told stock-holders yesterday in his second quarter report showing an improvement in earnings. The proposal is an alternative to the previously announced offer to sell the railroads the physical properties used in the sleeping car operations.

The proposal stems from an antitrust decree by a federal court in Philadelphia May 8, 1944, in which Pullman, Inc., was ordered to divorce its sieeping car and car building business. It elected to retain Puliman-Standard Car Manufacturing company.

#### Stock Listed at 78 Million

The Puilman company annual re-port for 1944 listed 731,350 shares of \$100 par capital stock as outstand-ing-a total of \$73,135,000-nearly all held by Pullman, Inc. Listing assets totaling \$366,406,010, it placed the investment in sleeping car property at \$264,296,571.

Under the previous proposal to sell the physical properties the price was set at \$81,325,222. Heavyweight sleeping cars and other property were valued at \$42,168,551 and 609 lightweight sleeping and composite cars at \$39,156,671.

Crawford said the new proposal to sell capital stock holdings in Pullman company was made "on the same general basis of over-all valuation as set forth in our August, 1944, proposai."

#### Negotiates with Others

disclosed that negotiations He vere being "actively conducted with other interested groups as well as the railroads.

Crawford said Pullman, Inc., net income in the second quarter was \$3,149,605, equal to 98 cents a share, compared with \$2,762,773, or 86 cents a share, in the second quarter of 1944. Six months profit was \$5,583,-353, or \$1.73 a share, compared with 9,960, or \$1.76 a share, in the first \$5.6 half of last year. Figures do not include earnings of the recently acquired M. W. Kellogg comp

Gross revenues totaled \$160,971 339 in the six months, compared with \$166,579,974 a year earlier.

With two-thirds of the sleeping car fleet assigned to the military forces, transportation of troops will continue to result in large scale displacement of civilian travel, said Crawford.

Chicago Sun

# Pullman Offers Rails New Plan on Sleeping Car Unit

Pullman, Inc., has offered to sell all its stockholdings in the Pullman Co., its sleeping car subsidiary, to the American railroads as an alternate to the sale of the physical assets of the subsidiary, D. A. Crawford, president, revealed in the second quarter statement to stockholders.

At the same time he disclosed that the company in an effort to

comply with the federal court's separation decree is also negotiating with several non-railroad groups "that have been considering purchase of the Puliman sleeping car business." Consolidated



net income of the D.A. Crewter subsidiaries for the six months ended June 30, exclusive of the M. W. Kellogg Co., was reported as \$5,883,853, equal to \$1.73 as share-compared with \$5,609,960, or \$1.76 a share, in the like pe-riod of 1944. net income of the

For the second quarter of 1944 net income of \$3,149,605, or 98 cents a share, was reported, against .\$2,762,773, or 86 cents a share, in the corresponding 1944 months.

More Cars to Move Troops.

Crawford advised stockholders that the government has recently ordered 893 more Pullman cars to be shifted from civilian to military use to speed the return initiary use to speed the return of large numbers of American troops from Europe and for the redeployment of forces against Japan.

This will leave only about 2,600 cars, or a third of the Pullman fleet, in service on regularly scheduled trains, in which many of the available accommodations are also in use for military pur-poses. With two-thirds of the cars assigned to the armed forces. the transportation of troops will be the major portion of the company's sleepingcar business and result in large scale displacement of civilian travel, he added.

#### Advantages Seen in Plan,

The new proposal to sell the railroads the capital stock of the Pullman Co., in lieu of the offer made May 12 to sell them its physical assets, has many advan-tages for the railroads, Pullman Inc. officials said.

Inc. officials selic. The average proposed selling price per car is lower as a result of another two years of depre-ciation, provision is made for spe-cial financing of heavyweight cars, and the purchase price would also be reduced through liquidation by the present owners of items not 'necessary for the continued operation of the serv-

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Chica.o Tribune

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comply with the federal court's separation decree is also negotisting with several non-railroad groups "that have been considering purchase of the Pullman sleeping car business." Consolidated



net income of the D. A. Crawford riod of 1944,

For the second quarter of 1944 net income of \$3,149,605, or 98 cents a share, was reported, against \$2,762,773, or 86 cents a share, in the corresponding 1944 months.

#### More Cars to Move Troops.

Crawford advised stockholders that the government has recently ordered 893 more Pullman cars to be shifted from civilian to military use to speed the return of large numbers of American troops from Europe and for the redeployment of forces against Japan.

This will leave only about 2,600 inis will leave only about 2,600 cars, or a third of the Pullman fleet, in service on regularly scheduled trains, in which many of the available accommodations are also in use for military pur-poses. With two-thirds of the cars assigned to the armed forces the transportation of troops will be the major portion of the company's sleepingcar business and result in large scale displacement of civilian travel, he added.

#### Advantages Scen in Plan.

The new proposal to sell the railroads the capital stock of the Pullman Co., in lieu of the offer made May 12 to sell them its physical assets, has many advan-tages for the railroads, Pullman Inc. officials said.

The average proposed selling price per car is lower as a result of another two years of depreciation, provision is made for special financing of heavyweight cars, and the purchase price would also be reduced through liquidation by the present owners of items not 'necessary for the continued operation of the serv-

#### August 17, 1945

#### Chicago Journal of Commerce Aug. 17, 1945

**New Sleeper By Pullman** Offers to Sell All Subsidiary's Stock

#### To Rails or Others

As a supplementary move in the projected disposal of its sleeping car operating business, Pullman Incorporated has offered to sell its entire clais to offer substantial advantages holdings of Pullman Company stock to the railroads or other interests, David A. Crawford, president, told parent company stockholders yes-terday.

Disclosure of the stock offering as an alternative to an earlier plan for the sale of physical properties was made in the second quarter statement reporting Pullman Inc. half-year net income of \$5,583,353 or \$1.73 a share on 3,229,897 shares of common stock exclusive of earnings of the recently acquired M. W. Kellogg Co. Net profit for the first half of 1944 was \$5,699,960 or \$1.76 a share

"Negotiations," Mr. Crawford sald, "are being actively conducted with the railroads and other interested groups for disposal of Pullman's interest in the sleeping car business." The United States district court at Philadelphia on March 22 this year entered a supplemental order giving Pullman Incorporated a year to comply with the separation decree of the court handed down May 8, 1944.

#### Equipment Offered First

"In accordance with the alterna-tive selling procedures permitted by the court's supplemental order," Mr. Crawford said, "there has been submitted to the railroads a proposal for their purchase of Pullman In-corporated's entire holding of capi-tal stock of the Pullman Company on the same general basis of overall valuation that was set forth in our August, 1944, proposal to sell them the equipment and related physical properties employed in sleeping car operations."

(Pullman officials were not available yesterday for further comment on the stock-sale plan. As of Dec. 31 last, Pullman Company common stock of \$100 par value was out-standing in the amount of 731,350 shares, of which Pullman Incorpo-rated owned 99.99 per cent. Earnings on that stock for 1944 were equal to \$14.51 a share and dividends of \$6 a share were paid.)

Negotiations are now under way, Mr. Crawford said, both with the railroads and several non-rallroad groups that have been considering purchase of the Pullman sleeping car business.

#### **Operation** Not Affected

"Effectuation of this sale in way now proposed," stockholders were told, "need not cause any no-Unit Sale Plan ticeable change in the contact of the sleeping car business and should be part of the Office of Defense the part of the Office of Defense depart of Defense depart of the Office of Defense depart of the Offic Transportation and the armed serv-

June quarter consolidated net income of Pullman Incorporated and subsidiaries, excluding the M. W Kellogg Company, was \$3,149,605, or 98 cents a share, against \$2,762,773, or 86 cents a share, in the like 1944 period.

executives and members of the special Pullman committees of the railroad regional presidents' con-ferences was said by Pullman offlto the carriers,

#### **Improvements** Listed

As compared with the proposal advanced in August of last year the alternative plan was said to have these major improvements:

1. The average proposed selling price a car is lower, resulting from another two years of depreciation.

2. Provision is made for special financing of heavyweight cars so that the rallroad buying group will not assume an inflexible liability on this type of rolling stock.

3. The purchase price also would be reduced through liquidation by the present owners of items not necessary for continued operation of the sleeping car service.

Under the original plan for sale of physical assets the proposed price was \$81,325,222. For properties definitely to be included in the inidefinitely to be included in the ini-tial purchase transaction the upset price was \$42,168,551. This included 4,034 hearyweight standard-class sleeping cars and composite cars, 2,308 hearyweight cars of tourist-sleeper class as well as shops, laun-dries and inventories of materials and unventories of materials and supplies.

#### Additional Car Offer

In addition the company set a price of \$39,156,671 on 605 lightprice of \$39,109,671 on 000 ight-weight seeping cars and four light-weight composite cars. They were contingently excluded from the original purchase plan because of uncertainty as to prior purchase by individual railroads.

Purchase of Pullman Company capital stock by the railroads is subject to Interstate Commerce Commission approval, it was pointed out, and a contract for sale of the stock would require approval by the federal court issuing the separation decree.

Net income ..... \$ 5.563,353 \$ 5.699,90 CONSOLIDATED BALANCE SHEET

	As of June 30:	1945	1944
	Cash and govt sec.\$	73.058.587	\$ 85,703,546
	Treasury notes	17,350,000	19,942,000
	Tax refund bonds.	3.664,201	3,684,201
	Claim on ex prf tax.	3,862,475	2.372.842
	Other securities	494.303	679.072
	Receivables	48.911,946	50,735,519
	Car accounts	2,339.289	4.470.007
1	Inventories	36,417,635	33,065,067

Cash on deposit for		
contracts	1,857,903	1,893,447
Inreimbursed costs	1.673.264	2.976.916
nt in M. W. Kel-		
logg Co	18.290.641	
Other investments.	349,966	358.209
Funded reserves	1.872.096	6.371.268
Equipmt & prop	77.320.651	91.343.678
Deferred charges.	760,667	674.364
Deterred charges		
Other assets	358,025	323,014
Total assets		\$306,573,448
	266.799,857	\$306,573,448
Linb		\$306,573,448
Linb Accounts payable &	iiities	
Liab Accounts payable & payrolis	34.721.669	\$ 45,362,111
Liab Accounts payable & payrolls	34.721,669 32,362,116	\$ 45.362.111 38.215.451
Liab Accounts payable & payrolis	34.721.669	\$ 45,362,111
Lisb Accounts payable & payrolis	34.721.669 32.362.116 4,217.111	\$ 45.362.111 38.215.451 4.693.094
Linb Accounts payable & payrolis \$ Accrued inc taxes. Accrued oth taxes. Tot current liabs.	34,721,669 32,362,116 4,217,111 71,500,917	\$ 45.362.111 38.215.451 4.693.094 \$ 88.270.856
Liab payrolis	diffies 34.721,669 32,362,116 4,217,111 71,500,917 3,531,166	\$ 45.362.111 38.215.451 4.693.094 \$ 85.270.856 4.670.364
Linb Accounts payable & payrolis \$ Accrued inc taxes. Accrued oth taxes. Tot current liabs.	34,721,669 32,362,116 4,217,111 71,500,917	\$ 45.362.111 38.215.451 4.693.094 \$ 88.270.856

Total -----

Total liabilities. \$286,709.637 \$303,573,446

#### Chicago Journal of Commerce .uz. 17, 1946

### New Sleeper Unit Sale Plan **By Pullman**

### Offers to Sell All Subsidiary's Stock

#### To Rails or Others

As a supplementary move in the projected disposal of its sleeping car holdings of Pullman Company stock to the rallroads or other intcrests, David A. Crawford, president, told parent company stockholders yesterday.

Disclosure of the stock offering as an alternative to an earlier plan for the sale of physical properties was made in the second quarter statement reporting Pullman Inc. half-year nct income of \$5,583,353 or \$1.73 a share on 3,229,897 shares of common stock exclusive of earnings of the recently acquired M. W. Kellogg Co. Nct profit for the first half of 1944 was \$5,699,960 or \$1.76 a share.

"Negotiations." Mr. Crawford said, "arc being actively conducted with the railroads and other interested groups for disposal of Pullman's interest in the sleeping car business." The United States district court at Philadelphia on March 22 this year entered a supplemental order giving Pullman Incorporated a year to comply with the separation decree of the court handed down May 8, 1944.

#### Equipment Offered First

"In accordance with the alternative selling procedures permitted by the court's supplemental order." Mr. Crawford said, "there has been submitted to the railroads a proposal for their purchase of Pullman Incorporated's entire holding of capi-tal stock of the Pullman Company on the same general basis of over-all valuation that was set forth in our August, 1944, proposal to sell them the equipment and related physical properties employed in sleeping car operations."

(Pullman officials were not available yesterday for further comment on the stock-sale plan. As of Dec. 31 last, Pullman Company common stock of \$100 par value was out-standing in the amount of 731,350 shares, of which Pullman Incorpo-rated owned 99,99 per cent. Earnings on that stock for 1944 were equal to \$14.51 a share and dividends of \$6 a share were paid.)

Negotiations are now under way Mr. Crawford sald, both with the railroads and several non-railroad groups that have been considering purchase of the Pullman sleeping car business.

#### **Operation Not Affected**

"Effectuation of this sale in the way now proposed," stockholders were told, "necd not cause any noticeable change in the conduct of the sleeping car business and should not occasion objection thereto on the part of the Office of Defense Transportation and the armed servlce authorities."

June quarter consolidated net income of Pullman Incorporated and subsidiaries, excluding the M. w Kellogg Company, was \$3,149,605, or 98 cents a share, against \$2.762,773, or 86 cents a sharc, in the like 1944 perlod.

The plan submitted to railroad executives and members of the special Pullman committees of the projected disposal of its sleeping car railroad regional presidents' con-operating business, Pullman Incorpo-ferences was said by Pullman offirated has offered to sell its entire cials to offer substantial advantages to the carriers.

#### Improvements Listed

As compared with the proposal advanced in August of last year the alternative plan was said to have these major improvements

1. The average proposed selling price a car is lower, resulting from another two years of depreciation.

2. Provision is made for special financing of heavyweight cars so that the railroad buying group will not assume an inflexible liability on this type of rolling stock.

3. The purchase price also would be reduced through liquidation by the present owners of items not necessary for continued operation of the sleeping car service,

Under the original plan for sale of ,physical assets the proposed price was \$81.325,222. For properties definitely to be included in the initial purchase transaction the upset price was \$42,168,551. This included 4,034 heavyweight standard-class sleeping cars and composite cars, 2,208 heavyweight cars of touristsleeper class as well as shops, laundries and inventories of materials and supplies.

#### Additional Car Offer

In addition the company set a price of \$39,156,671 on 605 lightweight sleeping cars and four lightweight composite cars. They were contingently excluded from the original purchase plan because of uncertainty as to prior purchase by individual railroads.

Purchase of Pullman Company capital stock by the railroads is sub ject to Interstate Commerce Commission approval, it was pointed out, and a contract for sale of the stock would require approval by the federal court issuing the separation decree.

Net income .....\$ 5.583.353 \$ 5.699.969 CONSOLIDATED BALANCE SHEET

As of June 30:	1945	1944
Cash and govt sec.\$	73.058.567	\$ 85,703,546
Treasury notes	17,330,000	19.942.000
Tax refund bonds.	3,664.201	3.664.201
Claim on ex prf tax.	3,362,475	2.372.842
Other securities	494,303	379,072
Receivables	48,911,948	50.735.519
Car accounts	2,339,289	4.470.007
Inventories	30,417,635	\$3.065,087

Total cur assets.\$	186,098,421	\$201,532,258
ash on deposit for contracts	1,807,903	1,893,447
t in M. W. Kel- logg Co	18,290,641	358.29
unded reserves	1,872,090 77.320,651	6,271,268 91,343,878
eferred charges ther assets	730.687 338.025	874.384 323,014
Total assets	228.799.857	\$305.373.448

С

UI

Liabilities Accounts payable & payrolls

&: ...\$ 34,721,689 \$ 45,382,111 s...\$2,502,110 38,215,451 s...4,217,111 4,693,097 Accrued inc taxes. Accrued oth taxes.

Tot current liabs.\$		
dvnes on c'tracts	3,331,168	4.870,364
leserves	20.774.652	22.224.844
eferred credits	11,394.075	10,624,833
uliman ine cap stk	129,193,880	129,195,830
the Pullman Com-		
pany cap stk	3,441	4,48
aurolus	59 401 799	50 302 362

Total liabilities. \$285,709,857 \$203,573,441

Wall St. Journal Aug. 17, 1945

### Pullman Inc. Plans Sale of Stock Of Pullman Co.

Negotiating With Rails, Other Groups on Disposal of Sleeping Car Unit

Replaces

Proposal

From THE WALL STREET JOUENAL Chicago Bureau CHICAGO-Railroad executives and other interested parties are studying a proposal of Pullman Inc., to sell the capital stock of Pullman Co.

Earlier

In his mid-year letter to stockholders. David A. Crawford, company president, revealed that on May 12, a plan to sell to the railroads 99.99% of the 731.350 shares of \$100 par capital stock of Pullman Co. held by Pullman Inc., had been sent to railroad executives and members of the special Pullman committees of the Railroad Regional Presi-dents' conferences. He also disclosed that negotiations "are being actively conducted with the railroads and other interested groups."

Replaces First Plan

Such a transaction would take the place of an earlier proposal to sell the physical assets of the sleeping car business for approximately \$81 million to the Railway-Pullman Sleeping Car Corp., a company to be taken over and operated by the various railroads on a pro rata basis. One of these two proposals must be consummated by March 22, 1946, in order to comply with the Federal Court order of May 8, 1944, directing Pullman Inc., to divest itself of either its sleeping car business

or its railway car manufacturing subsidiary. It is pointed out that the railroads would benefit from sale of the capital stock instead of the alternate plan in the following ways:

1. Average proposed selling price per car is lower, resulting from another two years of depreciation since the original offer.

2. Provision is made for special financing of heavyweight cars so that the railroads will not assume an inflexible liability on this type of rolling stock.

3. The purchase price would also be re-duced through liquidation by the present owners of items not necessary for continued peration of the sleeping car service. operation of the story I.C.C. Approval Necessary

Any proposed purchase of the Pullman Co.'s capital stock by the railroads will be subject to approval by the Interstate Com-merce Commission. Any contract by Pullman Inc. for the sale of its holdings of Pullman Co. is subject to approval by the Federal Court. Mr. Crawford stated.

Pullman Incorporated and subsidiaries (excluding 'M. W. Kellogg Co.) report for six months ended June 30, subject to renegotiation:

Earned per share	1945	\$1944
Gross inco from all souorces 160	971 339	166.579.974
Payments to R.R.'e	222 408	13.942.212
Expenses	989.688	125,905,438
Depreciation	431.706	6.502,635
*Federal tax provision, net 11	.655.695	13.331.943
TRee. post-war adj	.055.489	1,197,588
Nat income	583.353	5,699,960
Dividends	228,945	3.231.789
Surplue 2	353,408	2,468,191
Quarter ended June 30:		
	1945	1944
Earned per share	\$.98	8.84
	149.605	2.762.773
After deducting \$1,088,489	post-war	refund for
1945 and \$1,197,588 in 1944.	+Repress.	ite post-war
excess profits tax refund. IRevis	ed.	
Balance sheet items follo		

June 30.'45	*Juns 30.'4
Total assets\$288.799.857	\$305.573.44
+Cash & U. S. Govt. secur 73,058,567	88.703.54
U. S. Treas, tax notes 17.350.000	19,942.00
Other mark sec, at cost 494,303	579.07
Inventories	
Current assets	201.532.25
Current liabilitise 71,500,917	
Reserves 20,774,652	22,224,84
Burplus 82,401,722	50,382,36
Number capital shares 3.229.897	3,229.8
"Adjusted. †Excludes U. S. Government	
tax refund bonds of \$3,664.201 in each y	ear and claim
for post-war refund on excess profite taxes	of \$3,862,47:
in 1945 and \$2,372.842 in 1944.	

Wall St. Journal AUZ. 17, 1945

### Pullman Inc. Plans Sale of Stock Of Pullman Co.

### Negotiating With Rails, Other Groups on Disposal of Sleeping Car Unit

#### Replaces Earlier

Proposal

From THE WALL STREET JOURNAL Chicago Bureau

CHICAGO-Railroad executives and other interested parties are studying a proposal of Pullman Inc., to sell the capital stock of Pullman Co.

In his mid-year letter to stockholders, David A. Crawford, company president, revealed that on May 12, a plan to sell to the railroads 99.99% of the 731,350 shares of \$100 par capital stock of Pullman Co. held by Pullman Inc., had been sent to railroad executives and members of the special Pullman committees of the Railroad Regional Presidents' conferences. Ac also disclosed that negotiations "are being actively conducted with the railroads and other interested groups."

#### Replaces First Plan

Such a transaction would take the place of an earlier proposal to sell the physical assets of the sleeping car business for approximately \$81 million to the Railway-Pullman Sleeping Car Corp., a company to be taken over and operated by the various railroads on a pro rata basis. One of these two proposals must be consummated by March 22, 1946, in order to comply with the Federal Court order of May 8, 1944, directing Pullman Inc., to divest itself of either its sleeping car business or its railway car manufacturing subsidiary.

It is pointed out that the railroads would benefit from sale of the capital stock instead of the alternate plan in the following ways:

1. Average proposed selling price per car is lower, resulting from another two years of depreciation since the original offer.

2. Provision is made for special financing of heavyweight cars so that the railroads will not assume an inflexible liability on this type of rolling stock.

3. The purchase price would also be reduced through liquidation by the present owners of items not necessary for continued operation of the sleeping car service. I.C.C. Approval Necessary

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Pullman Incorporated and subsidiaries (excluding M. W. Kellogg Co.) report for six months ended June 30, subject to renegotiation:

		1915	\$1944
Earneo	per share	\$1.73	\$1.76
Gross	inco from all souorces 1	60.971.339	166.579.974
Payme	pts to R.R.'s	7,222,408	13.942.212
Expens	ies	28.989.688	125,905,436
Depred	lation	6.431.706	6.502.635
*Feder	al tax provision, net	11.655.695	13.331.945
TRes.	post-war adj	1.088,489	1.197.585
Net ir	come	5.583.353	5,699,960
Divide	nds	3.220.945	3,231.76
Surplu		2.353,408	2,468,191
Q	arter ended June 30:		
		1945	1944
Earnee	per share	\$.98	8.86
Net in	come	3.149.605	2.762.773

After deducting \$1.088,489 post-war refund for 1945 and \$1.197,588 in 1944 tRepresents post-war excess profits tax refund. tRevised. Balance sheet items follow:

June 30,'45 *June 30,'44
Total assets
+Cash & U. S. Govt. secur. 73,058,567 86,703,546
U. S. Treas. tax notes 17,350,000 19,942,000
Other mark sec, at cost 494,303 579,072
Inventories
Current assets
Current liabilities
Reserves
Burplus
Number capital shares 3.229.897 3.229.867
*Adjusted. †Excludes U. S. Government excess profiles
tax refund bonds of \$3,664.201 in each year and cisim
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in 1945 and \$2,372,842 in 1944.

August 17, 1945

Herald American

### Ask Rails Buy **Pullman Stock**

A proposal by Pullman Inc., to sell the stock of its sleeping car affiliate, Pullman Company, to railroads of the nation and other groups is revealed in a letter sent by President David A. Crawford, to stockholders.

to stockholders. Disclosure of the offering as an alternative to an earlier plan for the sale of the physical assets of its subsidiary, was made in the second quarter earnings report of Puliman, inc. Under the latest propessi, Puliman, Inc. would dis-pose of 99.99 per ent of the 731. SoB Puliman Commany ahers it

pose of 98.98 per dent of 106 / 41. 2005 Denter. Data Series and Series 11. Data Series and Series 11. Data Series 11. D

with a revised net of \$2,762,773, or 86 cents a share, for the cor-responding quarter last year. Net income for the first half of 1945 totaled \$5,563,353, equal to \$1.73 a share, compared with a revised net of \$5,569,9600 or \$1.76 a share, for the first half of last year. of last year.

#### Daily News

·1 ...

Sale Plans

Pullman, Inc., proposed today to sell to the nation's railroads or "other interested groups" its entire holding of capital stock in its sleeping car operating subsidiary, the Pullman Co.

David A. Crawford, president of Pullman, Inc., announced the plan in the parent company's second quarterly report. It is an alternative to the proposal of August, 1944, in which Pullman, Inc., offered to sell the cars and other physical assets of the sleeping car business to the railroads for about \$42,000,000.

BOTH propositions stem from a 1943 decision by a special three-judge Federal Court in Philadeljudge Federal Court in Philadel-phia holding, in government anti-trust Ittigation, that the Pullman group constituted a monopoly. On May 8, 1944, the court de-creed Pullman, Inc., must dispose of either its aleeping car operat-ing business or its railroad car manufacturing business.

A year ago Pullman elected to step out of the sleeping car op-erating business, proposing to sell the physical properties to a cor-poration to be organized by the railroads using Pullman sleeping car service.

THE GOVERNMENT anti-trust lawyers objected, terming the offer "simply a gesture of com-pliance." However, after further directed Pullman, Inc., to sell either the capital stock of the physical assets of the Pullman Co, within a year from that date, holding that it could "trust with the railroads or any other per-son," for such sale.

157

Pullman Inc., Sleeping Car

· L'MV Faposting Gale

# A MEMORANDUM accompanying the report said advantages of the new plan included these: The the new plan included these: The sverage proposed selling price per car is lower, resulting from an-provision wy mere deforciation; provision wy mere deforciation; financing of heavyweight cars so the railroad buying group would not assume an "inflexible liabil-tio on this type of rolling stock; reduced through liquidation of items not necessary for continued operation of the sleeping car style.

Any such transaction, it .was explained, would require ap-proval by the Interstate Com-merce Commission and the Phil-adelphia Federal Court.

THE PULLMAN, Inc., quari-cily report listed net income of \$3,149,605 or 98 cents a share for the quarter ended June 30, com-pared with \$2,762,778 or 86 cents a share for the corresponding quarter last year, and \$5,683,853 or \$1.73 a share on 3,228,887 shares of common stock for the share down with ended June 30, com-share last year. THE PULLMAN, Inc., quart-

A dividend of 50 cents a share was declared on the capital stock, payable Sept. 15 to stockholders of record Aug. 24. This made a total of \$1.50 a share declared so far this year, the same as in 1944.

August 17, 1945

Herald American

### Ask Rails Buy Pullman Stock

A proposal by Pullman Inc., to sell the stock of its sleeping car affiliate, Pullman Company, to relivoads of the nation and other groups is revealed in a letter sent by President David A. Crawford, to stockholders.

Disclosure of the offering as an alternative to an earlier plan for the sale of the physical assets of this subsidiary, was made in the second quarter earnings report of Pullman, Inc. Under the latest proposal, Pullman, Inc. would dispose of 98-99 per cent of the 731-350 Pullman Company shares it now owes.

Under an earlier offer made May 12. Pullman Inc., proposed to sell the physical assets of the sleeping car business for approximately \$81,000,000 to the Railway-Pullman Sleeping Car Corporation, a company to be taken over and operated by railroads in a pro-rata basis.

Any proposed purchase of the Pullman Company's capital stock by the railroads will be subject to approval by the Interstate Commerce Commission and the Federal Court, Crawford said.

meric Commission and an eral Court. Char Quarter Pullman For the quarter Pullman the Mark Bellogr Company. Mad the Mark Wellogr Company. Mad to 88 cents a share, for compared with a revised net of \$2.782.773. or 86 cents a share, for the corresponding quarter last year. Net income for the first half

Net income for the first half of 1945 totaled \$5,583,353, equal to \$1.73 a share, compared with a revised net of \$5,699,960, or \$1.76 a share, for the first half of last year.

#### Daily News

1 ...

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David A. Crawford, president of Pullman, Inc., announced the plan in the parent company's second quarterly report. It is an alternative to the proposal of August, 1944, in which Pullman, Inc., offered to sell the cars and other physical assets of the sleeping car business to the railroads for about \$42,000,000.

BOTH propositions stem from a 1943 design by a special threejudge Federal Court in Philadelphia holding, in government antitrust litigation, that the Pullman group constituted a monopoly. On May 8, 1944, the court decred Pullman, Inc., must dispose tred Pullman, Inc. and dispose ting business or its railroad car manufacturing business.

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157

Crawford disclosed the new capital stock sale plan was submitted to railroad executives in a letter May 12. He also disclosed that negotiations "are being actively conducted with the railroads and other interested groups."

A MEXOGRANDUM accompanying the réport said advantages of the new plan included these: The wareage proposed selling price per car is lower, resulting from antober two years' depreciation; tober two years' depreciation; financing of heuryeve for special financing of heuryeve price per would be allowed by the period the railroad buying group would not assume an "inflexible liability" on this type of rolling stock; the purchase price also would be reduced through liquidation of items not necessary for continued service.

Any such transaction, it was explained, would require approval by the Interstate Commerce Commission and the Philadelphia Federal Court.

THE PULLMAN. Inc., quartcrity report listed net income of \$3,149,605 or 98 cents a share for he ouarter ended June 30, compared with \$2,162,173 or 86 cents quarter last year, and \$5,563,353 or \$1.73 a share on 3,229,807 shares of common stock for the share share share share of some share share last year.

A dividend of 50 cents a share was declared on the capital stock, payable Sept. 15 to stockholders of record Aug. 24. This made a total of \$1.50 a share declared so far this year, the same as in 1944. Chicago Herald American Aug. 17, 1945

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350 Pullman Company snares it Under an saviter offer made May 12, Pulman in set of the the pullman in set of the interpret of the pullman in set of the mately \$30,000 to the Ralway-Pullman Skeping Car Corporaion, a company to be taken over and operated by ralroads in a pro-rate basis.

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#### Chicago Daily News Aug. 20, 1945

### Dichanging Pullman

Pullman Inc. wants to sell its sleeping-car company. It would be glad if the railroads would buy either the corporation or the Pullman cars, but other "interested parties" will do.

A Pullman company without any Pullmans would seem to many of us as grotesque as a raircad without any locomotives. To old-timers of Chicago our American rairoad system without a Pullman company running sleepers is almost unthinkable.

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But it's a changing world. When George Pullman invented his sleeping car he made the "palace car" a nationwide symbol of Chicago's business might, no less than an Armour ham or a Swift steak.

But the money in the business has long been in building cars, rather than operating them. Pullman emerges from the war a mighty munitions concern also.

Meanwhile a Federal Court decreed that the sleeping-car business must be separated from the car-building business to conform to the Sherman anti-trust law.

The railroads appear to face a similar problem to that of taking over the job of the old express companies after parcel post had taken the cream off that business.

Maybe the problem is an opportunity. Perhaps the railroads can popularize the sleeping car as they have the stream $_7$  liners and fast day-coach trains like the Challengers and the Pathfinders.

They can buy all the sleepers on the rails for about forty-two million dollars. What if many of the cars are old and heavy? That merely poses a question of salesmanship and smart ratemaking. People do like to sleep, occasionally, and are willing to pay what the privilege is worth. hicago Herald American Aug. 17, 1940

# Ask Rails Buy Pullman Stock

A proposal <u>hy Pullman Inc.</u> to sell the stock of its sleeping car affiliate, Pullman Company, to railroads of the nation and other groups is revealed in a letter sent by President David A. Crawford, to stockholders.

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### Chicago Journal of Commerce

Aug. 21, 1945

# **Pullman Sets**

# Detail Plan for Sale

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by March 22, 1946, was ordered this Spring by the federal court in Philadelphia to carry out an earlier decree ordering separation of Pullman's car manufacturing and car \$74.954,909. service units.

#### **Carriers** Still Disagree

Carrier committees are reported still divided in their opinions as to the best method for the future operation of sleeping car services. Some railroads favor individual op-eration with working agreements with other carriers to provide needed additional cars when such excess is not required in seasonal opera-

Some railroad officials are known (One large user of Pullman seque). Dave taken the position that a ment, the Pennsylvania Railroad, Some time ago announced its inten-tion of operating its own sleeping cluded in the revenues paid the car services). Other roads favore an Pulman. The officials have stated permit a continuation of a national hbiting an interest in the purchase centralized operation of a national hbiting an interest in the purchase of a state of a national hbiting an interest in the purchase the permit a continuation of a national hbiting an interest in the purchase of a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting an interest in the purchase and a state of a national hbiting and a national hbiting and a national hbiting and a state of a national hbiting and a national hbiting a national hbiting and a national hbiting a national hbiting and a

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There is the further question of as the Office of Defense Transporta-tion and the War Department, would permit any interruption of transportation services as long as facilities are required for the movement of service men.

For posting

Pullman Sets Dec. 31 to End Rail Services Prepares to Submit Detail Plan for Sale Detail Plan for Sale Of Sleeper Business Pullman, Inc. expects shortly to classify the fully depre-tional controls and supplies at \$12, 20, Excluding the fully depre-classify toristic cars, then et price was

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Chicago Journal of Commerce

Aug. 21, 1945

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While the plan to be submitted probably will include some modifi-cation of the methods by which the stock sale can be effected, it will bc on the same general basis of overall valuation set forth in Pullman's earlier proposal to sell equipment and related physical properties employed in sleeping car operations.

Disposal of Pullman's service unit by March 22, 1946, was ordered this Spring by the federal court in expected will be purchased by indi-Philadelphia to carry out an earlier vidual roads-Pullman arrives at a decree ordering separation of Pullman's car manufacturing and car \$74.954.909. service units.

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Excluded from this offer were 605 riers, it was learned yesterday. \$39,156,671 and on which it was At the same time, it was disclosed thought that individual carriers

> 31 of this year, and giving effect to further depreciation, Pullman places the following valuations; 4 020 heavyweight cars, \$15,812,352 (\$4,999 a car): 2,209 fully depreciated tourist cars, \$4,418,000 (\$2,000 a car scrap value); shops, laundries, materials and supplies, including net working capital of \$2,500,000 to be added, \$19.776,387; total, \$40,006,739.

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The Chicago Journal of Commerce August 21, 1945

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One real stumbling block to an agreement between Pullman and the carriers is the price of heavyweight standard sleeping cars, and to some extent also of materials and facili-ties. In its original proposal to sell equipment and facilities, Pullman placed a value of \$24,359,610 on 4,034 standard class sleeping cars and composite cars (\$6,038 a car). For 2,208 fully depreciated heavyweight tourist sleepers the company showed a value of \$4,416,000 (\$2,000 scrap value for each car). Shops and laundries were placed at \$5,365,221, and materials and supplies at \$12,-443,520. Excluding the fully depreciated tourist cars, the net price was \$42,168,551.

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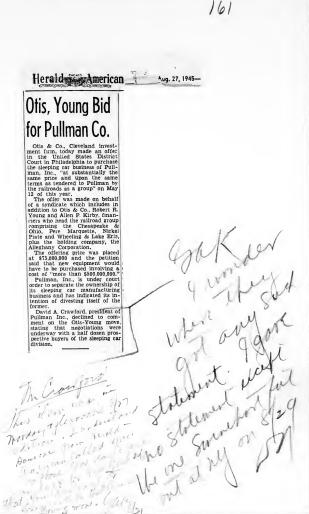
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CHICAGO DAILY NEWS, Monday, August 27, 1945. \*\*\*\*17.

# Otis Co., Young Offer **ToBuyPullmanCars**

#### To Meet Terms Proposed

for Purchase by

#### Railroads

#### BY HERMAN GASTRELL SEELY

The period of indecision over the offer of Pullman, Inc. to sell its sleeping car facilities in com-pliance with the 1943 federal court order ended abruptly to-day.

In the same district court at Philadelphia which entered the original anti-trust order, Otis & original anti-trust order, Otis &c Co. offered formally to purchase the facilities at substantially the same price and terms as tendered by Pullman, Inc. to the railroads in May last year. In Chicago, David, A. Crawford, Pullman's president, said the Otis for be looking into the situation. Asked whether the offer would be

to be looking into the situation. Asked whether the offer would be accepted, he said: "It isn't a question of who we want to sell to. We've got to sell. If the railroads are not interested, we'll sell to somebody else." . .

ASSOCIATED with Otis & Co., according to the motion filed with the court, are Robert R. Young, Allan P. Kirby and their associ-ates. Young is chairman of the board and Kirby, president of Al-

leghany Corp. Alleghany Corp. controls the Chesapeake & Ohio Railroad and has substantial holdings of stocks and bonds in other railroads. The Otis & Co. offer did not set

forth the exact terms of the Pull-man offer to the railroads, but said it was willing to meet them and urged speedy action by the court to permit speedy reconver-sion of the Pullman services.

#### .

THE PRICE of the tangible sleeping car properties proposed by Pullman, Inc., to the railroad was \$81,325,000.

This, in turn, was broken down into properties to be included in the initial purchase transaction on which a purchase price of \$42,-168,551 was set, and into a sepa-rate group of newer sleeping cars.

On this group of 605 lightweight sleeping cars and four lightweight composite cars "contingently ex-cluded from the initial purchase transaction," Pullman placed a price of \$39,156,671.

162

REASON for excluding this lat-ter group was the "uncertainty, as to prior purchase by individual railroads" over which the cars are currently operating.

It was also stated at the time that Pullman, Inc. would prob-ably be willing to advance 75 per cent of the purchase price of the heavy weight standard equip-ment, secured by equipment trust, certificates.

CHICAGO DAILY NEWS, Monday, August 27, 1945. \*\*\*\*17.

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CHICAGO DAILY NEWS, Monday, August 27, 1945.

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for Purchase by Railroads

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IN ITS PETITION, Gig said that the Young-Kinby group re-vitalized the Alleghang ystem of railroads and the Nickel Plate line and will furnish a modern, unified roads in strict confront with the anti-trust order. The petition also asserted that the railroads need sleeper facilities urgently, and that Pullman's 6.350 modern, Hightweight equipment at a cost in excess of 5500,000,000.

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CHICAGO DAILY NEWS, Monday, August 27, 1945.

# Otis Co., Young Offer **ToBuyPullmanCars**

To Meet Terms Proposed ment, secured by equipment trust certificates.

for Purchase by

Railroads

BY HERMAN GASTRELL SEELY

The period of indecision over the offer of Pullman, Inc. to sell its sleeping car facilities in com- anti-trust order. pliance with the 1943 federal court order ended abruptly today.

In the same district court at Philadelphia which entered the original anti-trust order, Otis & Co. offered formally to purchase the facilities at substantially the same price and terms as tendered by Pullman, Inc. to the railroads in May last year.

In Chicago, David A. Crawford, Pullman's president, said the Otis group was one of several known to be looking into the situation. Asked whether the offer would be

we'll sell to somebody else."

. . ASSOCIATED with Otis & Co., according to the motion filed with the court, are Robert R. Young, Allan P. Kirby and their associ-ates. Young is chairman of the board and Kirby, president of Alleghany Corp.

Alleghany Corp. controls the Chesapeake & Ohio Railroad and has substantial holdings of stocks and bonds in other railroads.

The Otis & Co. offer did not set forth the exact terms of the Pulloffer to the railroads, man but said it was willing to meet them and urged speedy action by the court to permit speedy reconversion of the Pullman services.

THE PRICE of the tangible sleeping car properties proposed by Pullman, Inc., to the railroad was \$81,325,000.

This, in turn, was broken down into properties to be included in into properties to be included in the initial purchase transaction on which a purchase price of \$42,-168,551 was set, and into a sepa-rate group of newer sleeping cars.

On this group of 605 lightweight sleeping cars and four lightweight composite cars "contingently excluded from the initial purchase transaction," Pullman placed a price of \$39,156,671.

. . . **REASON** for exc'uding this latter group was the "uncertainty as to prior purchase by individual railroads" over which the cars are currently operating.

It was also stated at the time that Pullman, Inc. would probably be willing to advance 75 per cent of the purchase price of the heavy weight standard equip-

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The petition also asserted that the railroads need sleeper facilities the rainoads need sieeper facilities urgently, and that Pullman's 6,250 cars will have to be replaced by modern, lightweight equipment at a cost in excess of \$500,000,000.

NO IMMEDIATE action was taken by the court on the petition. However, it was intimated that the petition to intervene might be granted, thereby clearing the way for a specific statement of the terms of the purchase and a sub-sequent open hearing.

The Otis petition and offer were Asked whether the olfer would be accepted, he said: "It isn't a question of who we head of the Department of Justice want to sell to. We've got to sell, anti-trust division, Arne C. Wip-If the railroads are not interested, we'll sell to somehody else," D. Schoileid of Philadelphia.

Chicago Sun Aug. 28, 1945

### **Otis-Young-Kirby Group** Asks to Buy Pullman Cars

PHILADELPHIA, Aug. 27.--(UP)--Otis & Co., Cleveland invest-ment firm, filed a petition in U.S. District Court today seeking per-mission to submit an offer for buying the sleeping car service of Pullman, Inc.

The concern, which said it would be associated with the Robert Young-Allen P. Kirby group, said it was willing to pay the same price on the same terms that Pullman offered to sall its pervic-

Pullman offered to sell its servic-ing business to the nation's rail-roads last March. At that time, Pullman had list-ed its sleeping car service for sale at \$30,000,000 in cash and \$51,-000,000 in equipment trust certifi-cates. Later Pullman reduced its price to under \$75,000,000.

Willing to Pay \$73 Million. Cyrus Eaton, a member of Otis & Co., said Otis was willing to pay \$75,000,000 for the sleeping car service but made no disclos-ure on how the purchase would be financed.

be financed. Young, a resident of Cleveland, together with Kirby, of Morris-town, NJ, and other associates have since 1937 managed and di-rected the Alleghany System of railroads, consisting of the Chess-peake & Ohio, the New York, Chesso & St. Louis and the Pere Marquett

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The group also envisaged or-ganization of a nation-wide netork of agencies and promotional advertising to increase rail travel in direct answer to the challenge of air travel.

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George A. Kelly, vice president of Pullman company, said in Chicago that he expected the offer "to receive thoro consideration by the court and by Pullman management." He confirmed reports that Otls representatives previously had consuits ed with Pullman officials.

"In its proposai this business group commits itself to a vast expansion of the railway sleeping car service," Daley said. "The present obsolete fieet will be replaced with the most modern fieet of sleeping cars and observation cars that competitive engineering brains and man-

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Warns of Alr Line Competition

He sald if service were not 1mstand a chance" to compete with stand a chance to compete with air service. If the Otis offer were accepted, it would be three years before service "would begin to approach normalcy," he asserted.

In its petition to the Philadelphia court Otis asked permission to intervene in the government's anti-trust suit against Pullman, Inc., and authority to purchase Pullman's sleeping car service.

Pullman was ordered by the court on May 8, 1944, to dispose of either its car manufacturing or its car service business. It elected to retain the manufacturing facilities and was given a year from last .March 22 to dispose of the service. Shortly thereafter Pullman made an offer to sell it to the railroads of the coun-

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Jall St. Journal Aug. 28, 1945

### Otis Group Seeks To Buy Pullman's Sleeping Car Unit

### Files Offer Substantially Accepting the Price Set by Company in May

### R. R. Young Among Bidders

From THE WALL STREET JOURNAL Phila. Bureau

PHILADELPHIA-Oits & Co. of Cleveland has made an offer in the United States District Court to purchase the sleeping.car facilities of Pullman Ino. at substantially the same price and upon the same terms as the offer tendered by Pullman Ino. to the railroads as a group on May 12, 1945. -At that time, Pullman listed its sleeping

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\_Pullman Inc. elected to keep the car manufacturing busness and to dispose of the servicing branch and the court on March 22, 1945, gave the company one year in which to divest itself of the buginess either by the sale of the plysical properties or the capital stock of the Pullman Co., which operated that branch of the business.

The Otis petition and offer were filed by Thuman Arnold, former head of the antitrust division of the Department of Justice. Arne C. Wiprud, both of Washington, and Lemuel D. Schofield of Philadelphia.

The petition says the railroads served by the company are in pressing need of sleeper facilities but that Pullman's 6,250 cars are obsolete and will have to be replaced with modern lightweight equipment which will cost more than \$500 million. If an independ-

ently owned sleeping car service is to replace Pullman's, the plans for its formation and the operation of a new program of operation must be put into effect speedily to meet the stiff competition of airlines and bus companies, the petition stated.

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The petition says that Oils & Co. and the Young-Kithy group are well qualified to carry out their offer to purchase and to operate a sleeping cars service satisfactory to the rairoads, the public and in line with the Court's injunction that there shall not be any renewal of the monopoly once held by Pullman Inc.

In a letter to stockholders earlier this months, David A. "Cravvord, president of Pullman Inc., disclosed that on May 12 a plan to sell the railroads 98.99% of the 731,330 shares of \$100 par capital stock of Pullman Co. had been sent to the railroads. Mr. Crawford said at the same time that megoiations for the sale of the sleeping car business were being carried on with "other interested groups."

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#### Chicago Journal of Commerce August 28, 1945

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Young-Kirby Interests Associated in Offer For Sleeper Service

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Mr. Daley held out the plan as a postwar employment booster asserting that it would "create jobs now, not only in car manufacture but in the metailurgical and supply industries."

Mr. Clark replied that "the Department of Justice is interested in the restoration of competition to this industry and in any proposal to bring this about."

The petition was filed with the clerk of the district court and there was no indication when the court would take action on it.

#### History of the Case

When the circuit court last March ordered the Pullman Co. to divorce its two businesses, the company suggested the formation of a new corporation to be operated by the various railroads using Pullman's services on a pro-rata basis.

The government objected to the plan and the chief Puilman counsel, George Wharton Pepper, subsequently disclosed that few of the railroads had shown any interest in the plan.

The antitrust suit was filed July 12, 1940, when the government charged, the Pullman group violated the Sherman antitrust act. On April 21, 1944, the court, set up to expedite the case, found the company guilty and ordered it to separate the two businesses.

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The group also envisaged organization of a nation-wide network of agencies and promotional advertising to increase rail travel in direct answer to the challenge of air travel.

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#### Chicago Journal of Commerce August 25, 1945

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# OTIS PROPOSES Acquisition of Pullman unit

### Acts in Conjunction with Alleghany

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Clark made public a letter from William R. Daley, Otis president, outlining the plan for the purchase by his firm, Robert R. Young, Allan P. Kirby, and other business men. The group promised to spend about 500 million dollars over a period of years in modernizing the sleeping jear service.

Young is chairman and Kirby is president of Alleghany corporation, holder of the controling interest in Chesapeake and Ohio railroad and other subsidiaries.

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"In its proposal this business group commits itself to a vast expansion of the railway sleeping car service," Daley said. "The present obsolete fleet will be replaced with the most modern fleet of sleeping cars and observation cars that competitive engineering brains and manufacturing facilities can produce."

"Most of the present day Pullman cars look more like cattle cars," Young said. "They have Christmas tree lights, filthy carpets, and service which is an actual insuit to the passengers. Particularly in transcontinental travel the present service is attocious. Almost every one has to get off at some isolated point and wait around for hours for connections."

Warns of Air Line Competition

He said if service were not improved, the railroads would not "stand a chance" to compete with all service. If the Otis offer were accepted, it would be three years before service "would begin to approach normalcy," he asserted.

In its petition to the Philadelphia court Otis asked permission to intervene in the government's anti-trust suit against Pullman, Inc., and authority to purchase Pullman's sleeping car service.

Pulman was ordered by the court on May 8, 1944, to dispose of either its car manufacturing or its car service business. It elected to retain the manufacturing facilities and was given a year from last March 22 to dispose of the service. Shortly thereaster Pulman made an offer to sell it to the railroads of the couniry.

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# OTIS PLEDGES NEW CARS IN PULLMAN BI

Syndicate Including Young Has \$500,000,000 Plans for Sleeper System

An estimated \$500.000.000 rehabilitation of sleeping car equipment and service to "meet the challenge of other forms of transportation" and to stimulate industrial employment was outlined last night by a Cleveland syndicate which vesterday proposed to purchase facilities of the Pullman Co. for \$75.000 .-000

Otis & Co., representing the Cleveland group, petitioned United Cleveland group, petitioned United States District Court in Philadel-phia for approval of the purchase, which, if consummated, would con-stitute one of the major financial transactions of the year. Leaders in the offer are Cyrus S. Eaton, board chairman, and William D. Tables mediant of

S. Eaton, board chairman, and William R. Daley, president, of Otis & Co., Robert R. Young, board chairman, and Allan P. Kirby, pres-ident, of the Alleghany Corp.

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Would Create Jobs 1940

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Three Years for Normalcy

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and manufacturing facilities can tures were visualized.

experiment with reductions in rates

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Cleveland Flain -ealer Aug. 23, 1945



ROBERT R. YOUNG







THURMAN ARNOLD

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ALLAN P. KIRBY

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### NEW YORK TIMES, AUGUST 28, 1945.

## **BANKERS ACT TO BUY** PULLMAN'S SERVICE

Group Headed by Otis & Co. Offers to Meet Terms Made to Railroads in March

COURT PETITION IS FILED

Attorney General Also Notified That \$500,000,000 Outlay for New Cars is Planned

PHILADELPHIA, Aug. 27 (U.P.-Otis & Co. of Cleveland, investment bankers, filed today a petition in United States District Court here seeking permission to submit an offer to buy the sleeping car service of Pullman, Inc.

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### Bankers Bid \*75.000.000 for Pullman, Inc.

Plan to Spend Half Billion For Modern Equipment and Give Better Service

### By C. Norman Stabler Financial Editor

PHILADELPHIA, Aug. 27 .--- A proposal to purchase the entire sleeping-car facilities of Pullman, Inc., for \$75,000,000 and to operate the nation-wide system for all railroads with service that would be improved through the addition of new equipment costing in excess of \$500,000,000, was made here today by the investment banking firm of Otis & Co. in association with Robert R. Young and Alien P. Kirby, dominant individuals in the management. of Alleghany Corporation, controlling the Chesapeake & Ohio system of railroads

The bid was made to the United States District Court here, which has had jurisdiction in the case since five years ago, when the anti-trust division of the Department of Justice brought suit to force Pullman, Inc., to separate its sleeping-car operations from the manufacturing branch of the business. The government won its case two and a haif years ago but

thus far so disposition has been made of the sleeping-car business. In making the announcement this afternoon Mr. Young deplored the condition to which rairoad travel has sunk, and charged the company for which he has just offered \$75,000,000 with failure to provide the traveling public with clean cars, modern equipment rates low enough to attract the low-income individual or even politeness

Calls Situation "Disgraceful"

"Some railroad officials are so far removed from the operation of their companies that they don't even know when their stewards steal \$600 a car, so certainly they don't know when their passengers are insulted," he said.

"There are virtually no new sieeping cars on order right now and most of those in service are twenty-five to forty years old and are obsolete. The situation is disgraceful. "There is no reason why trans-

continental passengers should be

shifted from car to car in Mid-Western cities when a carload of pigs going from the cist coast to the west receives every considera-tion. The public is riding in cat-tie cars while railroad managers, and I am one, take years to taik things over. I wear a white coilar and look like I had some inuence, but I don't expect to travel on a railroad without being insulted, so what can the man in a threadbare suit or the old women with bundles expect? The railroads are forty years late in learning to be polite, while the air lines give comfort. a smile and pass out a cup of tea."

To improve railroad service as speedily as possible, the group, provided the court accepts its bid, pians a vast expansion of railway sleeping-car service, designed to enable the nation's railroads to meet the competitive challenge of airpiane travel and other transportation services.

#### Would Scrap Heavy Cars

"There are a lot of California school children who would like to see the Statue of Liberty and Bunker Hill," Mr. Young said. "They could see them if the price could be lowered through filling the cars and provided there is some comfort in traveling."

In detail the pian is to scrap as soon as possible, the present fleet of 6,250 heavyweight Pullman cars which are obsolete, keeping only the lightweight newer cars, of which there are only six hundred.

The cars to be manufactured would be built by competitive engineering brains and manufactur-ing facilities and would provide sufficient work to keep all the companies in this line of construction busy for some years.

To develop passenger travel the group envisions a nation-wide network of agencies, promotion through national advertising and experimentation in providing new equipment.

While these two aims are in progress the service on the roads pould be continued under present contracts and the present staff and labor are assured employment.

Under the terms of the court order, Pullman service must to supplied to all railroads on a tondiscriminatory basis. Proceedings against Pullman, Inc., by the De-partment of Justice to force it to separate its service from its manufacturing business, was started in 1940. Thurman Arnold, at that time head of the anti-trust division, is now attorney for Otis & Co., along with Arne C. Wiprod, of Washington, Mr. Arnold, at the press conference this afternoon, expressed the belief that acceptance of the present bid would nearly fulfill the terms of the dissolution decree of the court,

#### Criticizes Delay

Following the decree in 1943 the company negotiated with the railroads themselves to take over the sleeping-car end of the business, but no agreement was reached. The subject was reopened again recently but the railroads asked eighteen months more to consider the matter.

"They have nothing more con-structive to offer than the sugges-tion of further delay " Mr. Youns said.

"In the mean time the public wants some service and the zir lines aren't backward in givin: it to them. Present Pullman ' their design is archaic. The 'car builders want to get contracts : nd the workmen want work. But the railroad managements want eighteen months more to talk about what to do, even though they have known for two and a half ye rs that they had to do something. Virtually no new cars are now on order. The present cars must carry a deadweight of two and a half to eight tons a passenger, depending upon occupancy, while their chief competitor, the air lines, have a deadweight of only 1,500 pounds and promise to go further.

The Alleghany group of rail-roads, in which Mr. Young and Mr. Kirby are dominant, includes the Chesapeak & Ohio, the Nickel Plate and the Pere Marquette. The firm of Otis & Co. has had wide experience in railroad financing and, with Halsey, Stuart & Co., was largely instrumental in bringing about competitive bidding in the marketing of railroad securities. Since July 1, 1944, when the Interstate Commerce Commission ordered competitive bidding for all railroad securities, the Halsey-Otis group has been successful bidders for about half the total of \$1,000,000,000 in railroad bonds marketed. The group has handled about \$100,000,000 in equipment trust certificates at competitive bidding in three and a half years.

The firm, in making its an-nouncement, issued a statement saying: "The railroads today have as great an opportunity to develop enger traffic as the motor car industry had in 1920, provided they modernize their facilities. They must reach the market of persons of moderate income. The extent of this great market is limd only by the vision and energy of those who attempt to develop it. The railroads will miss this opportunity if they do not modernize and progressive management in charge of Puliman Service may be fatal to the service, the railroads and the public."

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## Bankers Bid \*75,000,000 for Pullman, Inc.

Plan to Spend Half Billion For Modern Equipment and Give Better Service

### By C. Norman Stabler Financial Editor

PHILADELPHIA, Aug. 27 .- A proposal to purchase the entire sleeping-car facilities of Pullman, Inc., for \$75,000,000 and to operate the nation-wide system for all rallroads with service that would be improved through the addition of new equipment costing in excess of \$500,000,000, was made here today by the investment banking firm of Otis & Co. In association with Robert R. Young and Allen P. Kirby, dominant individuais in the management of Alleghany Corporation, controlling the Chesapeake & Ohio system of railroads

The bid was made to the United States District Court here, which has had jurisdiction in the case since five years ago, when the anti-trust division of the Department of Justice brought suit to force Pullman, Inc. to separate its aleeping-car operations from the manufacturing branch of the business. The government von its case two and a half years ago but thus far so disposition has been made of the sleeping-car business.

In making the announcement this atternoom Mr. Young deplored the condition to which railroad travel has sunk, and charged the railroads themselves and the company for which he has just offered 375,000,000 with failure to provide the traveling public with clean cars, modern equipment, rates low enough to attract the jow-income individual or even politeness.

### Calls Situalion "Disgraceful"

"Some railroad officials are so far removed from the operation of their companies that they don't even know when their stewards steal \$600 a car, so certainly they don't know when their passengers are insulted," he said.

"There are virtually no new sleeping cars on order right now, and most of those in service are twenty-five to forty years old and are obsolete. The situation is disgraceful.

"There is no reason why transcontinental passengers should be shifted from car to car in Mid-Western cities when a carload of pigs going from the east coast to the west receives every consideration. The public ls riding in cattle cars while railroad manage and I am one, take years to talk things over. I wear a white collar and look like I had some inuence, but I don't expect to travel on a railroad without being insulted, so what can the man in a threadbare suit or the old women with bundles expect? The railroads are forty years late in learning to be polite, while the air lines give comfort. a smile and pass out a cup of tea.

To improve railroad service as speedily as possible, the group, provided the court accepts its bid, plans a vast expansion of railway sieeping-car service, deskined to enable the nation's railroads to meet the competitive challenge of airpiane travel and other transportation services.

#### Would Scrap Heavy Cars

"There are a lot of California school children who would like to see the Statue of Liberty and Bunker Hill," Mr. Young sald. "They could see them if the price could be lowered through filling the cars and provided there is some comfort in traveling."

In detail the plan is to scrap, ac soon as possible, the present fleet of 6,250 heavyweight Pullman cars which are obcolete, keeping only the lightweight newer cars, of which there are only six hundred.

The cars to be manufactured would be built by competitive engineering brains and manufacturing facilities and would provide sufficient work to keep all the companies in this line of construction busy for some years.

To develop passenger travel the group envisions a nation-wide network of ascencies, promotion through national advertising and experimentation in providing new equipment.

While these two aims are in progress the service on the roads pould be continued under present contracts and the present staff and labor are assured employment.

Under the terms of the court order, Pullman service must bo supplied to all railroads on a tondiscriminatory basis. Proceedings against Pullman, Inc., by the Department of Justice to force it to separate its service from its manufacturing business, was started in 1940. Thurman Arnold, at that time head of the anti-trust divlsion, is now attorney for Otis & Co., along with Arne C. Wiprod, of Washington. Mr. Arnold, at the press conference this afternoon, expressed the belief that acceptance of the present bid would nearly fuifill the terms of the dissolution decree of the court.

#### Criticizes Delay

Following the decree in 1943 the company negotiated with the railroads themselves to take over the sleeping-car end of the business, but no agreement was reached. The subject was reopened again recently but the railroads asked eighteen months more to consider the matter.

"They have nothing more constructive to offer than the suggestion of further delay" Mr. Young said.

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## **Otis-Young-Kirby Group** Asks to Buy Pullman Cars

PHILADELPHIA, Aug. 27.—(UP)—Otis & Co., Cleveland invest-ment firm, filed a petition in U.S. District Court today seeking per-mission to submit an offer for buying the sleeping car service of Pullman, Inc.

The concern, which said it would be associated with the Robert Young-Allen P. Kirby group, said

it was willing to pay the same price on the same terms that Pullman offered to sell its servic ing business to the nation's rail-roads last March.

At that time, Pullman had li Av unat time, ruiman fad isi-ed its sleeping car service for sale at \$30,000,000 in cash and \$51,-000,000 in equipment trust cartifi-cates. Later Pullman reduced its price to under \$75,000,000.

Willing to Pay \$75,000,000. Cyrus Eaton, a member of Otis & Co., said Otis was willing to pay \$75,000,000 for the sleeping car service but made no disclos-ure on how the purchase would be for more than the purchase would be financed.

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cars. Daley held out the plan as a postwar employment booster, as-serting that it would "create jobs now, not only in car manufacture but in the metallurgical and supply industries

Valuations Detailed.

The offer placed a value of \$5,000,000 on the Pullman shop and laundry, \$15,000,000 for working capital and supplies, \$20,000,000 for obsolete cars, \$35,-000,000 for new lightweight cars. The latter category included ap-proximately 600 of the 6,250 Pullman cars now in service.

The group also envisaged organization of a nation-wide network of agencies and promotional advertising to increase rail travel in direct answer to the challenge of air travel.

Young said the new company planned to "use the automobile manufacturers' imagination and new style" and would replace cars every six or seven years.

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Willing to Pay \$75 Million.

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Young, a resident of Cleveland, together with Kirby, of Morrisfown, NJ, and other associates have since 1837 managed and directed the Alleghany System of railroads, consisting of the Chesepeake & Ohio, the New York, Chicago & St. Louis and the Pere Marquette.

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### THE CHICAGO JOURNAL OF COMMERCE August 28, 1945

## **Otis Group** Seeks to Buy **Pullman Unit**

**Young-Kirby** Interests Associated in Offer For Sleeper Service

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Otis & Co. filed a petition to intervene in the United States government's antitrust case Pullman and three of its subsidiarles so that it could submit the offer.

The Pullman Co. was ordered last March by a special court of three judges of the United States third circuit court to sell or contract for sale either its car manufacturing business or the ...ervicing business. Pullman elected to dispense with the sleeping car service after maintaining a monopoly for 40 years

The Otis' petition was filed by Thurman Arnold, former member of the antitrust division of the United States attorney general's office, and Lemuel B. Schofield, Philadelphia attorney.

Otis said in the petition, that if permitted to buy the Pullman inter-ests, it would guarantee a "modern, unified and complete system of alceping car service" for the American public.

In a letter to Tom C. Clark, attorney general, outlining the Otis plan, William R. Daley, president, said the proposal eventually would result in \$500,000,000 in orders for new sleep-ing and ebservation car facilities to replace the present obsolete field. of about 6,250 heavyweight Fujiman cars.

Mr. Daley held out the plan as a postwar employment booster assert-ing that it would "create jobs now, not only in car manufacture but in the metallurgical and supply in-dustries."

Mr. Clark replied that "the ni. Ourr replied that "the De-partment of Justice is interested in the restoration of competition to this industry and in any proposal to bring this about."

The petition was filed with the clerk of the district court and there was no indication when the court would take action on it.

History of the Case

When the circuit court last March ordered the Pullman Co. to divorce its two businesses, the company sug-gested the formation of a new cor-poration to be operated by the vari-ous railroads using Pullman's services on a pro-rata basis.

The government objected to the plan and the chief Pullman counsel, George Wharton Pepper, sub-sequently disclosed that few of the railroads had shown any interest in

The court held that Pullman's policy of requiring railroads taking its personal service to lease or pur-chase cars from Pullman-Standard Car Manufacturing Co. resulted in a monopoly. A formal decree was issued May 8

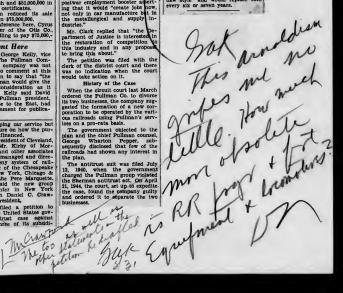
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Mr. Arnold, who was a member of the antitrust division when pro-ceedings were instituted against Pullman, said at the press confer-ence today that the Otis plan was "an opportunity to make the decree of 1943 work and to give luxury terend to the law income group." travel to the low income group."

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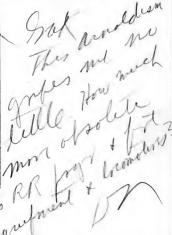
The antitrust suit was filed July 12, 1940, when the government charged the Pullman group violated the Sherman antitrust act. On April 21, 1944, the court, set up to expedite the case, found the company guilty and ordered it to separate the two businesses. The court held that Pullman's policy of requiring railroads taking its personal service to lease or purchase cars from Pullman-Standard Car Manufacturing Co. resulted in a monopoly. A formal decree was issued May 8.

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Chicasto Daily News Auz. 30. 1.45

Chicago Herald American Aug. 28. 1945

## Pullman May Sell **Sleeping Car Service**

WASHINGTON, Aug. 28 .- (AP)-The Pullman sleeping car service may be sold to a financial group which plans to spend \$500,000,000 for new equipment.

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#### AUTOMOTIVE NEWS The Newspaper of the Industry

Issue of any 20, 1945-**Pullman** to Sell **Sleeping Car Capital Stock** 

CHICAGO .-- Pullman, Inc. offered last week to sell its entire capital stock in Pullman Co., operating subsidiary, to the nation's railroads

or "other interested groups." The proposition follows a federal court decision in 1943 that the Pullman group constituted a monopoly. In August, 1944, Pullman, Inc. of-fered to sell the sleeping cars and other physical assets of the business to the railroads for about \$42,000,000.

The new proposal is an alterna-tive to last year's plan.

### Asks Conference on **Pullman** Car Sale

CLEVELAND-(P) - Proposed purchasers of the sleeping car service of Pullman, Inc., today requested an early conference with railroad companies on a new con-tract to "adequately meet the needs of the future."

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The new proposal is an alterna-tive to last year's plan.

8/30/45 Mr. G. A. Kelly MC This complete text of the Young telegram to rail-roads was in the early edition of the Sun. It was dropped from later editions, And to Ade Ver oxell

Chicago Daily News Aug. 28, 1945

## **Stocks Gain;** Pullman at 8-Year High

NEW YORK - (P) - Leading stocks continued to post new eight-year highs In today's market, although gains generally were limited to fractions and light selling stalled a number of issues.

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DEALINGS slowed after a moderately active opening, but plus marks were in the majority near midday.

A m o n g favorites, Pullman stepped into the "new high" divi-sion in the wake of banking bids for the company's carrier facili-ties. In front most of the time were U.S. Steel, Goodrich, United Aircraft, Northern Pacific, South-ern Pacific, American Can and Du Pont Legging feeding. ern Pacific, American Can and Du Pont. Lagging tendencies were displayed by Bethlehem, N.Y. Central, Southern Railway, Chrysler, Texas Co., and General Elec-

LIGHT DEMAND for selected rails and a, few industrials kept the bond market on a steady course in early dealings today.

course in early dealings today. Advances were generally re-stricted to less than a point, how-ever, indicating the rather light demand could be satisfied without stretching too far and there were numerous unchanged or lower issues throughout the list.

Issues throughout the list. Ahead most of the time were American & Foreign Power 5s, Chicago & Alton 3s, Colorado & Southern 4½s, Commonwealth Edison 3½s Hudson Coal 5s, In-ternational Hydro Electric 6s, Lehigh Valley Terminal 5s and Maine Central 4½s.

U.S. GOVERNMENTS' held un-changed to a trifle ahead for some of the lower term Treasury issues.

Light demand for some of the Peruvian bonds found an unex-pectedly tight supply situation and resulted in gains of 1 to 2 or more points following announce-ment debt service would be resumed as soon as conditions per-mitted. Other foreign dollar loans were quiet.

### Chicago Sun Aug. 30, 1945

### Crawford, Young-Otis **Discuss Pullman Sale**

Discuss fullment Sale D. A. Crewford, president, Pullman Inc., and the Pullman Co., said yesterday he is discuss-ing with principals of the Young-Olis 4 Co. Auring group and with possis that have been made for purchase of the Pullman Co. "We are not in a position at this ime". Crawford said, "to an-nounce decisions because any action on the several proposais mourt at Philadelphia."

### San Francisco Chronicle Aug. 28. 1945

### Otis & Co. Seeks To Buy Pullman **Sleeper Service**

PHILADELPHIA, Aug. 27 (AP)-Otis & Co., Cleveland, Ohio, petitioned the U. S. District Court here today to permit it to inter-vene in the Government's antitrust suit against Pulman, Inc., by allowing It to purchase Pullman's sleeping car service. Pullman decided when it was

cited on anti-trust grounds that it would continue to manufacture wound continue to manufacture sleeping cars and dispose of its service. It was given a year from March 22 to dispose of the service and at that time made an offer to the railroads of the country for its purchase.

Otis, in its motion, said it would meet Pullman's figure, reported at that time to be \$75,000,000. It requested the court for immediate action since, the motion declared, a total of 6250 heavy weight sleeping coaches would have to be re-placed with streamlined cars at an estimated cost of \$500,000,000.

Otis said Robert R. Young and Allan P. Kirby, whom it described as railroad experts, were among its associates in the proposed pur-chase. Young is chairman of the board and Kirby is president of the Alleghany corporation of New York, holders of the controlling interest in the Chesepeake and Ohio Rall-road and other subsidiaries.

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Chicago Daily News Aug. 28, 1945

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NEW YORK — (P) — Leading stocks continued to post new eight-year highs in today's market, although gains generally were limited to fractions and light selling stalled a number of issues.

Optimism over business prospects and large-scale consumer spending remained as the principal bullish argument. Boardrooms exhibited considerable caution, and accounts were trimmed here and there, because of five successive rising sessions making a technical correction a possibility.

**DEALINGS** slowed after a moderately active opening, but plus marks were in the majority near midday.

A mong favorites, Pullman stepped into the "new high" division in the wake of banking hids for the company's carrier facilities. In front most of the time were U.S. Steel, Goodrich, United Aircraft, Northern Pacific, Southern Pacific, American Can and Du Pont. Lagging tendencies were Central, Souther Bithlem, N.Y. Central, Souther Bithlem, N.Y. Jer, Texas Co., and General Electric.

LIGHT DEMAND for selected rails and a, few industrials kept the bond market on a steady course in early dealings today.

Advances were generally restricted to less than a point, however, indicating the rather light demand could be satisfied without stretohing too far and there were numerous unchanged or lower issues throughout the list.

Issues Inroughout the list. Ahead most of the time were American & Foreign Power 5s, Chicago & Alton 3s, Colorado & Southern 4½s, Commonwealth Edison 3½s Hudson Coal 5s, International Hydro Electric 6s, Lehigh Valley Terminal 5s and Maine Central 4½s.

U.S. GOVERNMENTS held unchanged to a trifle ahead for some of the lower term Treasury issues.

Light demand for some of the Peruvian bonds found an unexpectedly tight supply situation and resulted in gains of 1 to 2 or more points following announcement debt service would be resumed as soon as conditions permitted. Other foreign dollar loans were quict.

### Chicago Sun Aug. 20, 1945

### Crawford, Young-Otis Discuss Pullman Sale

D. A. Crawford, president, Pullman Inc., and the Pullman Co., said yesterday he is discussing with principals of the Young-Otis & Co. buying group and with "other interested parties" proposals that have been made for purchase of the Pullman Co.

"We are not in a position at this time," Crawford said, "to announce declsions because any action on the several proposals must await presentation to the court at Philadelphia."

### San Francisco Chronicle Aug. 28, 1945

### Otis & Co. Seeks To Buy Pullman Sleeper Service

PHILADELPHIA, Aug. 27 (*P*)— Otis & Co., Cleveland, Ohio, petitioned the U. S. District Court here today to permit it to intervene in the Government's antitrust suit against Pulman, Inc., by allowing it to purchase Pulman's siceping car service.

Pullman decided when it was cited on anti-trust grounds that it would continue to manufacture steeping cars and dispose of its service. It was given a year from March 22 to dispose of the service and at that time made an offer to the railroads of the country for its purchase.

Otis, in its motion, said it would meet Pullman's figure, reported at that time to be \$75,000,000. It requested the court for immediate action since, the motion declared, a total of 6250 heavy weight sleeping coaches would have to be replaced with streamlined cars at an estimated cost of \$500,000,000.

Otis said Robert R. Young and Alian P. Kirkoy, whom it described as rairoad experts, were among its associates in the proposed purchase. Young is chairman of the board and Kirky is president of the Alleghany corporation of New York. holders of the controlling interest in the Chesepeake and Ohio Railroad and other subsidiaries.

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Cleveland rlain Dealer Aug. 19, 1945

## Plain Dealing by Cobbledick dreamed of a comparatively few years ago. Dining cars, too, have

Sleeping Cars of the Future ... Curtains Not Soundproof counterparts of the most glittering

### ... Time for a Change

### BY GORDON COBBLEDICK

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dreamed of a comparatively few been improved, and some of the most modern club cars are rolling cocktail lounges. But the ancient Pullman sleeper remains a relic of the day when the railroads came of age.

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Pullman cars of the future will be different.

been no change in the basic design of the sleeping car in a quarter of a century or more. In that same period the air lines and bus companies have develnd imoped proved their facilities year by year, and year by year have claimed a greater share of the traveling pub-

COBBLEDICK lic's patronage. The railroads have a job of catching up to do, and most of it must be done by the Pullman Co.

they can get them.

They'd better be. To the best of my knowledge and belief there has Pullman washroom. It seems to me that the Pullman architects must velopment in aircraft design, provide for greater privacy in the in consequence as military requirequarter hour it takes for a man to ment dwindle the commercial air make himself fit to be seen by other lines will have ready for them travelers.

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aisle on their way to the washroom never are half so frightful in appearance as their male fellow travelers. It may be because they take pains to make themselves pre-cross-country air routes. In its sentable before parting the green curtains. Whatever their sector, pargers as compared with the 21

when i say there has been no usis who skep soundly to the tune use before and during the war. And fundamental change in Pullman de-ing i am of torgetling the device licking over rails, built will carry them more swiftly and comfortably. Sign i am not forgetling the device licking over rails, built will carry them more swiftly and comfortably. Sign i am not compare the start of t go, but there aren't enough of them man, but I don't like to hear them sleeves, but it is certain that they pe, but there aren't enough of them man, but I don't like to hear them will sleeves, but it'rs certain that they in service to accommodate more cry when I am trying to fall asleep, other cut of the patronage that for-than a small raction of the popel Neitre do I enjoy the conversition who must go from one place to an-other by night. The old green-tur-tained upper-and-lower job remains soundproofing cannot be achieved by better, more luxurious abstantially what I was then the whole be achieved buses. The state of the fails at a beavy majority of the would-be sleeper from the noise more and more people will be proper be not enter, there would be sleeper from the noise more and more people will must accept uppers of lowers-when must go. The whole Pulmann car awe know it must go will be interesting that the sub the curiants and who is now it must go. The whole Pulmann car awe know it must go. The whole Pulmann car

Greater Privacy Needed I am a guy who loves his fellow men—but no too early in the morn-aiter dark. To them the stream-ing and not in the circumstances in lined coseh trains offer comfort who ho me execution the trained to the streamwhich one encounters them in a and even luxury on a scale un-

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War did demand extensive de and planes exceeding in speed, comfort Parenthetically and notwithstand- and capacity anything in sight as

#### Air Service Improved

The great four-engined transport which the army calls the C-54 and the navy knows as the R5D doubt-less will soon be in service on the curtains. Whatever their secret, sengers, as compared with the 21 hand follow it. I am one of the fortunate mor-gined commercial liner in common use before and during the war. And

Daylight travelers have fared bet-the Pullman Co. does about it.



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### WALL STREET JOUR NAL, August 30, 1945.

### Young Group Wires Railroads for Talk On Pullman Services

Purpose of Conference Is New Contracts to Replace Old Ones Ending December 31

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Railroad executives also were informed in the telegram that David A. Crawford, Pullman Inc., president, told the group yesterday that he desired to see the future handling of the steeping car business determined at the earliest possible moment.

The separation of the sleeping car activity of the Pullman from the car manufacturing business of the company is required under court decree.

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THE CHICAGO SUN, THURSDAY, AUGUST 30, 1945

### **Otis Group Promises 'to Take** Up Where Pullman Leaves Off

NEW YORK, Aug. 29.—(UP)— in the purchase offer, expressed Otis & Co. and associates, which the desire to confer with repre-have offered to purchase the sentatives of the railroads "at the railroads that the group will pick up the service from Pullman Follo with no interruption or inconvenience to the employees or the public."

sleeping car business of Pullman, earliest possible moment looking Inc. for a possible price of \$75,- toward a new contract which will 000,000, today assured American adequately meet the needs of the

Following is the text of the telegram sent by Otis & Co. and

public." "This is to notify you of the railroads, Robert R. Young, and Allan P. Kirky, chairman and facilities of Puliman, Inc., under president, respectively, of Al-chains? Corp. Cruck Land Calls & Cc. and others involved order entered March 22, 1945. Coils & Cc. and others involved order entered March 22, 1945. Coils & Cc. and others involved order entered March 22, 1945. Crawford, president of Puliman, Inc., the owner of the Puliman, Inc., the owner of the Puliman, have been for some time and have been for some time and continue ready to comply im-mediately with the decree of the court and are desirous of seeing that the future handling of the sleeping car business be deter-

at the earliest possible moment," "As you know, it was the opinion of the court that the maintenance of a unified operation of the sleeping car service would be in the public interest. You have al-ready received from the Pullman Co. its notice of termination of contracts for service as of Dec. 31, 1945. "It is the desire of our group

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to pick up this service where the present ownership of the Pullman Co. leaves off, with no interruption or inconvenience to the employees or the public and to that end we seek to confer with your representative at the earliest possible moment looking toward a new contract which will adequately meet the needs of the future." x

The telegram was addressed to the chief executive officers of railroad companies now being furnished with sleeping car serv-ice under contract with Pullman Co. and to members of special Pullman committee of regional railroad president's conferences.

# PAGES MISNUMBERED

The New York Sun Aust. 30. 1945

## PULLMAN GETS SEVERAL BIDS Crawford Answers Charges of Poor Operation.

Directors of Pullman, Inc. are considering several bids for the disposal of its subsidiary, the Pullman Company, operators of the sleeping car business, D. A. Crawford, president, said today, This was indicated in The Sun Tuesdey, Among the bids is the Tuesday. Among the bids is the proposal of the Otis Young Kirby proposal of the Otis-Young-Kirby group, which Crawford said he is discussing with the principals and "with other interested par-ties." "We are not in a position at this time to announce decisions."

declared the Fullman president, "because any action on the sev-eral proposals for the purchase of the Fullman Company which have been made or which may be made necessarily must await presentation to the court at Phila-delphia.

dephia. Apparently answering Robert R. Young's charges, made at the ime his group announced its of-fer. President Crawford said: "Pullman Inc., is concerned Willman classifier of the said said any one of several possible pur-chases and not with engaging in controversy about Pullman serv-ice under wartime conditions. Sweeping charges of lack of discourtesy on the part of Pull-man attendants are not war-ranted by the facts."

Journal Agerican Jew York Auz. 20, 1145

## Pullman Weighs **Bids for Unit**

D. A. Crawford, president, Pullman, Inc., and Pullman Co., today said he is discussing with the Young-Kirby-Otis syndicate and "other interested parties" pro-posals for purchase of Pullman Co. The Federal Court at Philadelphia ordered Pullman, Inc., to separate its sleeping car business from its manufacturing subsidiiary, Pullman-Standard Car Manfacturing Co. "Action on the proposals must

await presentation to the court at Philadelphia," Crawford noted.

He added: "Pullman, Inc., is concerned with negotlating the sale of the Pullman sleeping car business to any one of several possible purchasers and not with engaging in controversy about Pull-man service under wartime conman service under wartime con-diltions. For 80 years Puilman service has been synonymous with safety, cleanliness and counter? courtesy."

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### Young Group Wires Railroads for Meeting On Pullman Services

Purpose of Conference Is New Contracts to Replace Old Ones Ending December 31

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In telegrams to the chief executive officers of railroad companies now being furnished with sleeping car service under contract with Pullman Co. which operates the business for the parent company and to the special Pullman committee of the regional railroad presidents conferences, the group called attention to the fact that the railroads already have received from Pullman notice of termination of present service contracts as of December 31, 1945,

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Railroad ' executives also were informed in the telegram that David A. Crawford, Pullman Inc., president, told the group yesterday that he desired to see the future handling of the sleeping car business determined at the earliest possible moment.

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Praises War Time Service

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"The travelling public and the responsible these traditions, even to the good manners officers of the transportation divisions of the of Pullman employes, will constitute a pricearmed services have paid tribute to the less asset of future Pullman operations under Pullman Co. for the tremendous and exact-whatever new ownership."

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The New York Times Aug. 30, 1945



Asks Railroad Conferees for Meetings to Arrange Pact if They Buy Business

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new contract which will acequate by meet the needs of the future.<sup>4</sup> The group, including Otia & Co, has made a bid for the Pullman properties through the Federa Court in Philadelphia, which had decreed that Pullman, Inc., either sell the sleeping car end of its business or concentrate its activities exclusively in that field.

tes exclusively in that field. Commenting upon the proposal that have been made for the purchase of the Pullman Company Mr. Crawford in a statement made here said:

"We are not in a position at this time to announce decisions, because any action on the several proposals for purchase of the Pullman Company, which have been made or which may be made, necessarily must await presentation to the court at Philadelphia.

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### Railroads Get Contract Offer Of Otis-Young

Pullman Head Discloses Other Bids Were Made for Company's Facilities

The offer of the Otis & Co-Young-Kirby ground to purchase man, Ince for \$55,000,00, announced on Monday, was followed gesterday by an offer of the same group to the railroads to negoliale contracts for continuing service on termination of present arrangements at the end of 1945.

The communication from Robert R. Young, Allan P. Kirby, Cyrus Eaton, and others to the railroad chief executives followed a .conference here between the group and D. A. Crawford, president, and other Pullman, Inc., officials.

Commenting on the developments of the last few days, Mr. Crawford disclosed that several proposals have beer made for purchase of the Puliman transportation facilities and said he had been conferring with the Youns-Otis group and with "other interested parties."

Court Action Awaited

"We are not in a position at this time." Mr. Crawford said, "to announce decisions because any action on the several proposals for purchase of the Pullman Co. which have been made or which may be made necessarily must await presentation to the court at Philadeiphia.

"Pullman, Inc., is concerned with negotiating the sale of the Pullman sleeping car business to any one of several possible purchasers and not with engaging in controversy about Pullman service under war-time conditions."

"Sweeping charges of lack of cleanliness in Pullman cars or of discourtesy on the part of Pullman attendants are not warranted by the facts," Mr. Crawford added.

Notice of Terminations The telegram of the Young group to the railroads brought no immediate response or comment

from principal carriers affected. In the telegram the Young group reminded the railroads that Pullman has served notice of termination of contracts on Dec. 31, and continued:

"It is the desire of our group to pick up this service where the

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pick up this Service where the present ownership of the Pulliman prepresentatives at the earliest posfor, leaves off, with no interrup-lable moment looking toward a tion or inconventience to the earlieve contract which will adeployees or the public and to that quarky meet the needs of the and we seek to confer with your future.



Asks Railroad Conferees for Meetings to Arrange Pact if They Buy Business

Robert R. Young and associates who earlier this week made an offer for the sleeping car business of the Pullman Company sent yesterday a telegram to heads of railroad companies and to the special committee of the regional railway presidents' conferences seeking to arrange meetings looking toward the writing of a new contract that would take over the one now in effect between the railroads and Pullman in the event that they purchase the business.

The telegram said the group had conferred with David A. Crawford president of Pullman, who in-formed them that he wanted to see that the future handling of the sleeping-car business be determined at the earliest possible moment.

"As you know," the telegram read further, "it was the opinion of the court that the maintenance of a unified operation of the sleeping car service would be in the public interest. You already have received from the Pullman Com-pany its notice of termination of contracts for service as of Dec. 31 1945

"It is the desire of our group to pick up this service where the present ownership of the Pullman Company leaves off, with no interruption or inconvenience to the employes or the public, and to that end we seek to confer with your representatives at the earliest post sible moment looking toward a new contract which will adequately meet the needs of the future."

ly meet the needs of the luture." The group, including Otis & Co., has made a bid for the Pullman properties through the Federal Court in Philadelphia, which had decreed that Pullman, Inc., either sell the sleeping car end of its

sell the sleeping car end of its business or concentrate its activi-ties exclusively in that field. Commenting upon the proposals that have been made for the pur-chase of the Pullman Company. Mr. Crawford in a statement made here said:

"We are not in a position at this time to announce decisions, because any action on the several proposals for purchase of the Pullman Company, which have been made or which may be made, necessarily must await presentation

to the court at Philadelphia. "Pullman, I.e., is concerned with has been aynonymous with safety negotiating the sale of the Pullman cleanliness and courtesy and I am sleeping-car basiness to any one confident these traditions even to of several possible purchasers and ployes, will constitute a prioriess not with engasing in controversylaset of future Pullman operation about Pullman service in wartime under whatever new ownership." For eighty years. Fullman service

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## **Railroads** Get **Contract** Offer **Of Otis-Young**

Pullman Head Discloses Other Sids Were Made for Company's Facilities

The offer of the Otis & Co.-Young-Kirby group to purchase railroad carrier facilities of Pullman, Inc., for \$75,000.000, announced on Monday, was followed yesterday by an offer of the same group to the railroads to negotiate contracts for continuing service on termination of present arrangements at the end of 1945.

The communication from Robert R. Young, Allan P. Kirby, Cyrus Eaton, and others to the railroad chief executives followed a conference here between the group and D. A. Crawford, president, and other Pullman, Inc., officials

Commenting on the developments of the last few days, Mr. Crawford disclosed that several proposals have beer made for purchase of the Pullman transportation facilities and said he had been conferring with the Young-Otis group and with "other interested parties."

#### **Court Action Awaited**

"We are not in a position at this time," Mr. Crawford said, "to announce decisions because any action on the several proposals for purchase of the Pullman Co. which have been made or which may be made necessarily must await presentation to the court at Philadelphia.

"Pullman, Inc., is concerned with negotiating the sale of the Pullman sleeping car business to any one of several possible purchasers and not with engaging in controversy about Pullman service under war-time conditions.

Sweeping charges of lack of cleanliness in Pullman cars or of discourtesy on the part of Pullman attendants are not warranted by the facts," Mr. Crawford added.

### Notice of Terminations

The telegram of the Young group to the railroads brought no immediate response or comment from principal carriers affected.

In the telegram the Young group reminded the railroads that Pullman has served notice of termination of contracts on Dec. 31, and continued:

It is the desire of our group to pick up this service where the

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pick Up this Service where the present overstahl of the Pulliman representatives at the earliest pos-foo, leaves off, with no interrup-isible moment looking toward a tion or inconvenience to the em-ipnew contract which will add-phores or the public and to that quarky meet the needs of the end we seek to confer with your future.

The Journal of Commerce & Commercial New York Auz. 20, 1940

## Pullman Confers on Other Sale Offers

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pany, which must be disposed of in have been for some time and con-time conditions, accord with a Federal Court dearea, when he said that "we are with the decree of the court and sponsible officers of the transport not in a position at this time to are desirous of seeing that the fu-tation divisions of the armed servndr in a position at this time to are associated with the time taking that the time taking and the armset servi-action on decimal account and the service of the service of the service service and the service of the Pullman Co, which services as determined at the man Co. for the treemendous and purchase of the Pullman Co, which services the service service service services and the service service service service services and the service service service service services and the service service service service services se have been made or which may be made necessarily must await pre-sentation to the court at Phindel. of the court that the maintenance in Pullman cars or of discourtesy

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Young Seeks Parleys With Rail Heads on New Sleeping Car Pacts

### Crawford Defends Service

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"The traveling public and the re-

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"The traveling public and the re not in a position at this time to are desirous of seeing that the fu- tation divisions of the armed serv ture handling of the sleeping car ices have paid tribute to the Pullbusiness be determined at the man Co. for the tremendous and earliest possible moment." exacting job it is performing, and we think very effectively. Sweep-"As you know, it was the opinion ing charges of lack of cleanliness of the court that the maintenance in Pullman cars or of discourtesy entation to the court at Philade, if the Court statistic maintenance in Fullman curs of suscepting of the court statistic and the maintenance in Fullman curs of suscepting car service would be in the are not varranted by the fasts. Meanwhile, the group headed by the cast of the court of the Robert R. Young and Allan P. notice of termination of contraits and the mass occur synthymotophical mass Kirby of Allegneny Corp. and for service as of Dec. 31, 1945. It and I am confident these tradi-Cyrus Eaton of Otis & Co. yester- is the desire of our group to pick tions, even to the good manners of

### Chicago Daily News - August 31, 1945

### Westward!

How quickly a "revolution" becomes commonplace. Financial pages this week carried stories of impending refunding operations designed to lower the interest charges on two issues of railroad bonds, Great Northern \$75,000,000 and Southern Pacific \$125,000,000.

Refundings are routine, interest reductions have become'so of late. But the news is that a Chicago bond house will handle the Great Northern transaction and the Southern Pacific has invited bids of its proposed issue.

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That there is competition today is largely due to the fight made by Cyrus Eaton, the Cleveland banker, broker, industrialist and promoter.

Reorganization and refinancing of Pullman sleeping-car service to conform to court decree separating the Pullman car-building operations from the sleeper service is in the hands of gentlemen of Cleveland, Ohio. That's one for the book, too.

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Business Jeek Sept. 1, 1945

### Bid for Pullman

Cleveland group's offer to buy operating company may be answer to problem created by federal court's deadline.

Pullman, Inc., parent company of the Pullman group, got prompt action this week on its most pressing problem, whether or not this speed was caused by the move of its subsidiary, the Pullman Co., to cancel as of next Dec. 31 all operating contracts with the railroads that it serves (BW-Aug.2545,p38).

 Cets Action—Apparent purpose of this action by the 80-year-old operating subsidiary was to force the hesitant U. S. railroads to make up their minds whether to accept any offers by Pullman, Inc., to sell: physical equipment or stock. Price of either was set at about \$73,000,000. Sale by next Mar. 22 is necessitated by a court order, outcome of an antitrus verdict.

First open offer for the Pullman Co. was for the more than 99% of its stock owned by Pullman, Inc. The bid was made by a syndicate headed by Otis & Co., Cleveland investment bankers, and including Robert R. Young, board chairman, and Allan P. Kirby, president, of Alleghany Corp. They made their offer to the U. S. Distriet Court at Philadelphia which ordered the sale, and

are willing to pay the price that has been asked from the first public move last summer.

 Railmen Doubtful-Nobody could laugh off such a bid by the men who had made good their control over the Van Sweringen rail empire. To many a rail stock specialist, the deal looked like a natural. Rail executives, by nature less adventuresome, were dubious. If the handful of roads that operate the 605 newest, most modern, lightweight Pullman sleepers should exercise their options to buy this equipment, the re-V mainder of less modern, heavier 6,000odd sleepers might look less appetizing to Otis, Young, and their syndicate. Separate sale of the lightweight units would presumably reduce the total price to the syndicate by roughly \$35,000,-000.

Pullman officials cautiously said negotiations would tell the story, hinted that other eager purchasers are waiting.

### Chicago Tribune

### Chicago Journal of Connerce

### PULLMAN SALE ORDER ATTRACTS SECOND GROUP

New York, Aug. 31 (P)-Willard F. Rockweil, chairman of four Pennsylvania and Detroit companies, today said his group may seek to purchase the sleeping car operations of Pullman, Inc.

It would be the second bid for this branch of Puliman, which was directed by a federal court at Philadelphia iast March to dispose of either its manufacturing or sleeping car operations. Rockwell said his group includes

Timken-Detroit Axie company and Hupp Motor Car corporation, both of Detroit; Standard Steel Spring company of Coraopolis, Pa., and Pittsburgh [Pa.] Equitable Meter company, all engaged in metal products manufacturing.

## SecondGroup Plans Bid for Pullman Co.

### **Rockwell Interests** Include Firm in

'Postwar Proposals'

NEW YORK, Aug. 31 (P).-Wil-lard F. Rockweil, chairman of four Pennsylvania and Detroit companies, disclosed today his group may seek to purchase the Puilman Co., sleep-ing car operating subsidiary of Puilman Inc.

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#### Has Ample Funds

Mr. Rockwell said his group was not associated with any other com-bination, and that it had ample funds for the operation. Pullman's sale price has been reported at \$75,000,000.

Included in the Rockweil group of companies are Timken-Detroit Axle Co. and Hupp Motor Car Corp., both of Detroit; Standard Steel Spring Co., of Coracipolis, Pa., and Pitts-burgh Equitable Meter Co., of Pittsburgh, Pa., ali engaged in metal products manufacturing.

Mr. Rockweil sald in an Interview here that his group, whose 20 plants have been devoted to war produc-tion, was "looking into several pro-posais" for postwar business, and that "among them is Puliman."

The four companies headed by Mr. Rockwell operate plants in nine states—Pennsylvanla, Indiana, Michigan, Illinois, Ohio, Wisconsin, California, New Jersey, Oklahoma and New York. Before the war they produced

Before the war they produced such articles as automobile truck and tractor springs, humpers, grat-ings and treads, universal joints, propeller shafts, axies, transmis-sions, oll burners, meters and regulators, and stampings for automo-tive, refrigeration and air condi-tioning anufacturers. Some of their war production was on armor plate

war production was on armor plate and parts for army tanks. Latest published financial state-ments of the companies, for periods ending in 1944, show total assets of close to \$125,000,000. Timken-De-troit Axis had net sales of \$159,073,-742 for the year ended June 30, 1944, with net income of \$4,008,142.

September 1, 1945

Chicalo Tribune

Chicato Journal of Commerce

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Barron's Veekly Sept. 3, 1945

## ✗ News and Views of Investments

### Huge Rise Needed in Rail Passenger Traffic to Carry Out Robert Young's Plans

BLLICOSE ROBERT R. YOUNG, chairman of the Chesapeake & Ohio Railway, who last week put in his of that service which contemplate a tremendous expansion in travel, a revolutionary increase and improvement in the equipment to handle that traffic, a gigantic increase in debt of the operating company.

The wholehearted and picturesque way Mr. Young condemned ralibuads and the present operators of the alseping-car business beepoke confidence on the part of himself and the group associated with him in their ability to boost the business to the levels needed to carry the interest and depreciation charges on new equipment which he indicated will be purchased. However, his promise to spend over \$500 million to replace the 6,250 old, heavyweight Pullmans with modern, light-weight cars, and to "turn them over" every seven years or so, really would call for "more transportation magic, because it would be difficult, if not impossible, to fulfill those promises on the prewar revenues from the sleeping car business.

If the money can be raised to buy the proposed new cars, and if they can be built quickly, the old Pullman's will be replaced. That would mean the new company might have to issue as much as \$500 million of equipment trust certificates. Even at 2%, that would call for \$10 million of interest annually. If the new cars are to be "turned over" very seven years or so, that would require a maximum annual amortization of the equipment trust certificates of more than \$10,000 a car, or \$62.5 million, to make a total of interest and amortization of \$72.5

Nowhere even in the wartime income accounts of Pullman Co. are there any figures like that. What Pullman Co. actually did in the past seven years follows:

	3 war-year	4 prewar-year
	average	average
Gross revenue	\$119,237,158	\$59,499,106
Operating revenue	29,362,080	6,180,349
Net income	8,698,675	2,125,346

Just because what Mr. Young proposes never has been done doesn't mean that it can't be done. It does mean that railroad transportation in the United States will be much bigger and better—and much more interesting—if Mr. Young, Allan Kirby, Otis & Co. and others associated with them succeed with their ideas.

One plan probably is to increase the carrying capacity of sleeping cars. That already is underway. The Pullman car manufacturing division already has in use a three-tier sleeping car with 42 berths, against the 27 in a standard sleeping car, although the rates for such accommodations are lower. It also plans a three-deck coach seating 112 passengers, or about onethird more than present coaches.

Such steps either would lessen the number of cars needed to move the country's travelers, or would provide more revenue per car with which to nay off debt and cover interest on that debt.

car with which to pay off debt and cover interest on that debt. Furthermore, Mr. Young may have exaggerated a little in his estimate of how quickly the newer cars would be considered obsolete and scrapped. If the life of the car is extended to 12 years, instead of the "seven years or so" which Mr. Young forecast, amortization of equipment trust certificates would be much lower each year.

Even more interesting than the financial problems which Mr. Young would meet in putting over his ambitious plans is the effect which such radical moves would have on the entire passenger business of the ralinoads. Against the approximately 7,000 Pullman cars in operation, Class 1 railroads of the United States have nearly 45,000 passenger cars in service. Even the most unimaginative old railroader hardly could insist on keeping old cars in operation in the same service on which the bright, shiny new Pullmans would run, if it could be proved that new ones could earn money.

So if Mr. Young from Texas proves to be the St. George to slay the dragon of railroad inertia, he will be the friend of the railroad equipment makers as well as the travelers who are just learning that railroad travel and discomfort aren't necessarily synonymous.

CHICAGO JOURNAL OF COMMERCE. SEPTEMBER 6, 1945.

### **Pullman Intervention**

ruliman intervention o tota & co a Cierenala and Rob-to E. Youg and Allan P. Kiby, Key York investment bankers, have hen granted a motion to intervene in the government's antitruit action against the Pullman Co. and its sub-addartse, it was samounced vester-ation of the second second second agas later by United States Circuit Court anounced. At the line of the motion it was reported that the peti-deleping car service of Pullman, inc., for \$75,000,000, the price at which the service was offered to the rail-roads as a group on May 12.

### **Pullman Intervention**

• Otts & Co. of Cleveland and Robert P. Young and Allen P. Kirby, New York investment bankers, have been granted a motion to intervene in the government's antitrust action against the Pulman Co. and its subsidiarits, it was shine. The motion was made Aug. 27 and granted two days later by United States Circuit Ocurt Judge John Biggs, J., the court announced. At the time of the motion it was reported that the petitioners had offered to purchase the or \$\$5,000,000, the price at which the service was offered to the railroads as a group on May 12. Chicago Journal/of Commerce Sept. 17, 1945

### Rockwell Bid Definite for Pullman Unit Mar holers, 2417-45 But Proposal Hinges

On Type of Contract To Be Had from Rails

NEW YORK, Sept. 18 (Special) of William P. Rockwell, chairman of tonne, cast din an interview today that his group will definitely make an offer for the alseping car subsidary of Pullman, Inc. Mr. Rockwell indicated a few weeks ago that his interests were exploring the publities of however, that he still could not any whether the bid would be above or below the \$75.-000,000 sale price set by Pullman. That will depend on what kind of a

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Will Not Seek to Intervene

Mr. Rockwell said positively that his group would not seek to intervene in the court action.

"We expect to make an offer to the Pullman Go, and if it is satisfactory, we will present it to the ourt. We will not make an offer to Pullman until we know what kind of a contract we can get from the railroads, and they still appear to be in some disagrement as to how alseptirg car services should be operated in the future."

Mr. Reckwell would not disclose whether any negotiations had been opened with the carriers on the question of contracts, but railroad sources say the matter probably has been discussed informally with officials of individual roads.

Referring to the statement of the young-Kithy-oils group that an expenditure of \$400,0000 would be made to modernike Pullman equipnet of the statement of the commented that "the court and the puble will be abased of an elequate rehabilitation program bo our group" He added that while it was reported three other groups besides trends there other groups besides terests were negotiating for Pullman, he was not saver that any he has not aware that any he has one d "vera applied to

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Chicago Journal/of Commerce Sept. 17, 1945

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But Proposal Hinges On Type of Contract To Be Had from Rails

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Chicago Herald American Sept. 19, 1945



By Robert P. Vanderpoel Financial Editor

David A. Crawford, president of Pullman, Inc., has stated that at least three groups have been dickering for purchase of the Pullman sleeping car business, which is to be divested from the manufacturing end by court order.

One of these groups, head-ed by Robert R. Young and Allan P. Kirby of the Alleghaney Corporation and Chesapeake & Ohio Railway empire, his intervened in the court action and expressed a willingness to pay the \$75,000,000 sale price set by Pullman.

Willard F. Rockwell, head within the result of a number of companies mainly in the automotive parts business, including Timken-De-troit Axie Company and Standard Steel Spring Company, has indi-cated that his group may make a bid.

There has been no intimation as to who comprises the third group, but if we were to make a guess it would be the Fisher brothers of Detroit, who have been looking around for new in-terests after having resigned their important positions in the Gen-eral Motors setup.

Wanted Hudson Motors

The Fishers are said to have been disappointed in not securing control of Hudson Motors and have been looking for a favorable opportunity to employ their excess would want to take some of the millions which they have made in the autombile business and invest it in a railway enterprise is another matter. The Fishers are said to have

another matter. The court and even the Inter-state Commerce Commission inght look with some askance on forcing Pullman Inc. to divorce focuring Pullman Inc. to divorce the source of the source of the source the source of the source of the source of course, the possibility dust a compary to take over the sleep-ing car business can hardly be ruled out. Developments appear likely to come soon.



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Chicago Herald American Sept. 19, 1945



**Financial** Editor

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WP Merger Slated MARQUIS CHILDS had some very column on this page a few days ago about Rebert R. Young, little publi-cized ralload man, who is seeking with associates, to buy Physical the service and control the service and equipment.

Young may prove to have particular interest for Sacramentans for another reason. He is reported to be seeking to develop a new transcontinental rail ine whose western terminus at San Francisco would be reached via the facilities of Western Pacific. Experience during the depression years should have shown that there

years should have shown that there were too many unhealthy railroad corporations in this country, and that public interest would be better served with fewer lines having a stronger corporate structure.

Many decades later we were still suffering for the machinations of men-like James Fisk and Jay Gould, until war brought a period of railroad prosperitv

If the West is to have the expansion promised, there is no reason why the Western Pacific should not expand with it in a new era of broadened and solvent operation.

The dreams of railroad empire envisioned for it by the sate Arthur Curtis James may yet come true.

## SAN FRANCISCO, CAL., CALL-SEPTEMBER 22, 1940 575 Million Rail Plan Told S. F. By Thurman Arnold

A low-cost, "luxury travel" nationwide railroad system was envisioned here today by Thurman "trust-buster" Arnold, former who now represents a Cleveland financier group that seeks to buy the carrier facilities of the Pullman company.

Arnold, speaker at a joint luncheon of the California Commission on Interstate Co-operation and of chairmen of similar groups from ten other western states, explained his syndicate has offered \$75,000,000 for the Pullman cars

### \$500,000,000 MORE

If the purchase went through, he said, the group would spend another \$500,000,000 on new carriers and then set up nationwide travel facilities aimed at providing transportation at a cost that could be met by low income groups

This is the only possible way the railroads can compete with air travel," he said. "The accent is going to be on luxury travel -which the airlines can't provide."

At the meeting of the California interstate co-operation commission, preceding the luncheon. State Senator Jesse Mayo, Angels Camp, proposed a resolution under which the eleven western states would band together in an appeal for federal help in the financing of postwar projects,

### \$1,500,000,000 PROJECTS

He sald California cities and countries have \$1,500,000,000 worth of projects planned, and should complete three-fourths of them within five years, but "cannot finance them alone."

The session ran concurrently with a meeting of chairmen of the interstate co-operation commissions of eleven western states, also at the Palace Hotel. At this conference, Assemblyman Harrison W. Call of Redwood City rec- Pacific Coast cities be included

should grant the states funds for ent airlines. the support of airports.

### AIR RULING HIT

the interstate group. It asked that vital jobs go unfilied.

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ommended that Washington in any future United States-Ori-

Yesterday, Pacific Coast government officials met here to A resolution, questioning the discuss reconversion problems, Civil Aeronautics Board's recent heard the federal government recommendation of a New York- criticized for "dumping" postwar Orient air route through Ed- problems on the communities. monton Canada; Anchorage, Pa- and were told discharged war ramushiro and Tokio, was offered Workers are letting thousands of

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## Washington Calling

### By Marquis Childs

### Business Plans For The Future

WHAT WITH PRESIDENT TRUMAN'S message and the reconversion report, we've been hearing a great deal about the plans of Government for the peace that is now a reality.

Because it is hard to put the whole picture together, we have heard less about the plans of business on which, essentially, the prosperity of the country must depend. Government can never be more than a supplement at best.

A tremendous industrial expansion is in sight. Almost every business man you talk with has his own reconversion plans, and almost invariably they call for new plants and new products, 643

RECENTLY, I happened to talk with two business men who have exciting plans for the immediate future. Both men were a long way from the traditional figure we have come to label big business. They were preparing to meet the changing circumstances of a changing world.

One was Robert R. Young who, in association with Otis & Co., is trying to buy the Pullman Company. The other man was Frank W. Pierce, a director of Standard Oil of New Jersey,

Young is a concentrated charge of dynamite out of Texas. In the course of acquiring four railroads during the past decade, he has upset a lot of conventional notions about railroad management and, even more important, about finance. More than any other single individual, Young has helped to break through the financial toll bridge that was controlled almost exclusively by one set of interests in New York,

### 240

NOW WITH his partners, he has met the price asked by the Pullman Company, which was compelled by antitrust action to sell either the business of manufacturing Pullman cars or the business of selling Pullman service. Pullman chose to dispose of the latter.

In a petition filed with a Philadelphia court, Young and his associates say they will replace present heavyweight Pullman

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cars with lightweight streamlined equipment. They are prepared to place orders for \$500,-000,000 in new cars as soon as the court approves their bid.

Young is working closely with Edward R. Eudd of the Budd Manufacturing Co., another businessman who believes in imagination and competition as opposed to sitting beside a monopoly toll bridge and collecting easy fees, Budd is the builder of the new stream-lined trains that are taking railroad travel out of the cinders and green plush era.

As Young sees it, the railroads, far from being defeated in this matter of passenger business by the automobile and the airplane, can develop great new, unex-plored fields of travel. He has worked out many ingenious plans in this direction, but these must await final disposition of the Pullman case. The Pullman Co. is at this point seeking to delay action. although the separation decree was handed down many months ago.

### 64.9

FRANK PIERCE of Standard Oil is in charge of that company's employe relations. Under his direction, the company has worked out a pension and security plan far in advance of what Government has done. Recently, Pierce was invited to Washington to explain the plan to the Civil Service Commission.

Part of the Pierce plan is to encourage employes to acquire stock in the company. As Pierce puts it, you've got to give people a stake in our system if you're going to hold their loyalty.

The stock ownership idea, made difficult by SEC regulations, is only a minor phase of Standard's thrift plan. During the 10 years that a thrift fund has been in operation, more than 120 million dollars has been paid in, of which the company contributed \$61,838,143.

Not alone because of what they are doing but because they are proof of the vitality of our sys-tem, Messrs. Young and Pierce seem to me to be hopeful signs of the times. If men with imagination and ideas can get a hearing and an opportunity, then the American system is still sound

# END OF VOLUME